SUPREME COURT
FIRST DIVISION

MOLAVE MOTOR SALES, INC.,
***Petitioner*,**

-versus-

G.R. No. 65377
May 28, 1984

HON. CRISPIN C. LARON, Presiding Judge of the Regional Trial Court of Pangasinan, Branch XLIV and PEDRO GEMENIANO,
***Respondents*.**
x----------x

D E C I S I O N

MELENCIO-HERRERA, *J.*:

Respondent Judge, presiding Branch XLIV of the Regional Trial Court in Dagupan City, had dismissed the case below for lack of jurisdiction and had denied reconsideration for lack of merit.

Petitioner, PLAINTIFF in the case below, is a corporation engaged in the sale and repair of motor vehicles in Dagupan City. Private respondent, the DEFENDANT in the case below, was, or is, the sales manager of PLAINTIFF. Whether or not there was still a relationship of employer and employee between the parties when the complaint

was filed is an unsettled question which need not be resolved in this instance.

Alleging that DEFENDANT was a former employee, PLAINTIFF had sued him, on March 22, 1983, for payment of accounts pleaded as follows:

> "That during his incumbency as such the defendant caused and without authority from the plaintiff incurred accounts with the remaining balances in the total sum of P33,890.38 excluding interest, arising from the purchases of vehicles and parts, repair jobs of his personal cars and cash advances, faithful reproductions of the Vehicle Invoice, Debit Memos, Deed of Absolute Sale, Repair Orders, Charge Invoices, Vouchers, Promissory Notes, Acknowledgment Letter and Statement of Account, hereto attached and marked as Annexes 'A', 'B', 'C', 'D', 'E', 'F', 'G' 'H', 'I', 'J', 'K', 'L', 'M', and 'N' respectively and the contents of which being herein additionally pleaded and made integral parts hereof;" (paragraphing supplied).

In his Answer, DEFENDANT denied.

> "That he incurred any unpaid unauthorized accounts with the plaintiff in the total sum of P33,890.38 excluding interest therefor, and, specifically denies under oath that the annexed Vehicle Invoice, Debits Memos, Deed of Absolute Sale, Repair Orders, Charge Invoices, Vouchers, Promissory Notes, Acknowledgment Letter and Statement of Account have remained unpaid as in fact the truth of the matter is as follows, to wit:" (paragraphing supplied)

DEFENDANT further alleged in a counterclaim that he should still be considered an employee of PLAINTIFF in as much as there has been no application for clearance in regards to his separation.

At the pre-trial conference, the DEFENDANT raised the question of jurisdiction of the Court stating that PLAINTIFF's complaint arose out of employer-employee relationship, and he subsequently moved for dismissal. It was then when respondent Judge dismissed the case finding that the sum of money and damages sued upon arose from

employer employee relationship and that jurisdiction belonged to the Labor Arbiter and the NLRC.

Before the enactment of BP Blg. 227 on June 1, 1982, Labor Arbiters, under paragraph 5 of Article 217 of the Labor Code had jurisdiction over "all other cases arising from employer-employee relation, unless expressly excluded by this Code." Even then, the principle followed by this Court was that, although a controversy is between an employer and an employee, the Labor Arbiters have no jurisdiction if the Labor Code is not involved. In Medina vs. Castro-Bartolome, 116 SCRA 597, 604, in negating jurisdiction of the Labor Arbiter, although the parties were an employer and two employees, Mr. Justice Abad Santos stated:

> "The pivotal question to Our mind is whether or not the Labor Code has any relevance to the reliefs sought by the plaintiffs. For if the Labor Code has no relevance, any discussion concerning the statutes amending it and whether or not they have retroactive effect is unnecessary.
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> It is obvious from the complaint that the plaintiffs have not alleged any unfair labor practice. Theirs is a simple action for damages for tortious acts allegedly committed by the defendants. Such being the case, the governing statute is the Civil Code and not the Labor Code. It results that the orders under review are based on a wrong premise."

And in Singapore Airlines Limited vs. Paño, 122 SCRA 671, 677, the following was said:

> "Stated differently, petitioner seeks protection under the civil laws and claims no benefits under the Labor Code. The primary relief sought is for liquidated damages for breach of a contractual obligation. The other items demanded are not labor benefits demanded by workers generally taken cognizance of in labor disputes, such as payment of wages, overtime compensation or separation pay. The items claimed are the natural consequences flowing from breach of an obligation, intrinsically a civil dispute."

In the case below, PLAINTIFF had sued for monies loaned to DEFENDANT, the cost of repair jobs made on his personal cars, and for the purchase price of vehicles and parts sold to him. Those accounts have no relevance to the Labor Code. The cause of action was one under the civil laws, and it does not breach any provision of the Labor Code or the contract of employment of DEFENDANT. Hence, the civil courts, not the Labor Arbiters and the NLRC, should have jurisdiction.

BP Blg. 227 has amended Article 217 of the Labor Code to read as follows:

> "ART. 217. Jurisdiction of Labor Arbiters and the Commission. — (a) The Labor Arbiters shall have the original and exclusive jurisdiction to hear and decide within thirty (30) working days after submission of the case by the parties for decision, the following cases involving all workers, whether agricultural or non agricultural:
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> 1. Unfair labor practice cases;
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> 2. Those that (involve) WORKERS MAY FILE INVOLVING wages, hours of work and other terms and conditions of employment;
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> 3. All money claims of workers, including those based on non-payment or underpayment of wages, overtime compensation, separation pay and other benefits provided by law or appropriate agreement, except claims for employees compensation social security, and maternity benefits;
>
> 4. Cases involving household services; and
>
> 5. CASES ARISING FROM ANY VIOLATION OF ARTICLE 265 OF THIS CODE, INCLUDING QUESTIONS INVOLVING THE LEGALITY OF STRIKES AND LOCKOUTS.

[6. All other claims arising from employer-employee relations, unless expressly excluded by this Code].” (Italics and bracketed portions indicate the deletions, while the amendments introduced are capitalized).

The dismissal of the case below on the ground that the sum of money and damages sued upon arose from employer-employee relationship was erroneous. Claims arising from employer-employee relations are now limited to those mentioned in paragraphs 2 and 3 of Article 217. There is no difficulty on our part in stating that those in the case below should not be faulted for not being aware of the last amendment to the frequently changing Labor Code.

The claim of DEFENDANT that he should still be considered an employee of PLAINTIFF, because the latter has not sought clearance for his separation from the service, will not affect the jurisdiction of respondent Judge to resolve the complaint of PLAINTIFF. DEFENDANT could still be liable to PLAINTIFF for payment of the accounts sued for even if he remains an employee of PLAINTIFF.

WHEREFORE, the Petition is granted, and respondent Judge is hereby ordered to take cognizance of the case below and to render judgment therein accordingly.

No costs.

SO ORDERED.

Teehankee, Plana, Relova, Gutierrez, Jr. and De la Fuente, *JJ.*, concur.