SUPREME COURT
SECOND DIVISION

PEPSI-COLA BOTTLING COMPANY, COSME DE ABOITIZ, and ALBERTO M. DACUYCUY,
***Petitioners*,**

-versus-

G.R. No. L-58877
March 15, 1982

HON. JUDGE ANTONIO M. MARTINEZ, in his official capacity, and ABRAHAM TUMALA, JR.,
***Respondents*.**
x----------x

D E C I S I O N

ESCOLIN, *J.*:

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]?

The facts that gave rise to this petition are as follows:

On September 19, 1980, respondent Abraham Tumala, Jr. filed a complaint in the Court of First Instance of Davao, docketed as Civil Case No. 13494, against petitioners Pepsi-Cola Bottling Co., Inc., its president Cosme de Aboitiz and other company officers. Under the first cause of action, the complaint averred inter alia that Tumala was a salesman of the company in Davao City from 1977 up to August 21, 1980; that in the annual "Sumakwel" contest conducted by the company in 1979, Tumala was declared winner of the "Lapu-Lapu Award" for his performance as top salesman of the year, an award which entitled him to a prize of a house and lot; and that petitioners, despite demands, have unjustly refused to deliver said prize. Under the second cause of action, it was alleged that on August 21, 1980, petitioners, "in a manner oppressive to labor" and "without prior clearance from the Ministry of Labor," "arbitrarily and illegally" terminated his employment. He prayed that petitioners be ordered, jointly and severally, to deliver his prize of house and lot or its cash equivalent, and to pay his back salaries and separation benefits, plus moral and exemplary damages, attorney's fees and litigation expenses. He did not ask for reinstatement.

Petitioners moved to dismiss the complaint on grounds of lack of jurisdiction and cause of action. Petitioners further alleged that Tumala was not entitled to the "Sumakwel" prize for having misled the company into declaring him top salesman for 1979 through various deceitful and fraudulent manipulations and machinations in the performance of his duties as salesman and depot in-charge of the bottling company in Davao City, which manipulations consisted of "unremitted cash collections, fictitious collections of trade accounts, fictitious loaned empties, fictitious product deals, uncollected loaned empties, advance sales confirmed by marketing outlets as undelivered, loaned empties confirmed as fictitious, and route shortages which resulted to the damage and prejudice of the bottling company in the amount of P381,851.76." The alleged commission of these fraudulent acts was also advanced by petitioners to justify Tumala's dismissal.

The court below, sustaining its jurisdiction over the case, denied the motion as well as the motion for reconsideration. Hence the present recourse.

We rule that the Labor Arbiter has exclusive jurisdiction over the case.

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.[1] Jurisdiction is never presumed; it must be conferred by law in words that do not admit of doubt.[2]

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:

> "SEC. 3. Articles 217, 222 and 262 of Book V of the Labor Code are hereby amended to read as follows:
>
> > "Article 217. Jurisdiction of Labor Arbiters and 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:
> >
> > "1. Unfair labor practice cases;
> >
> > "2. Unresolved issues in collective bargaining, including those that involve wages, hours of work and other terms and conditions of employment;
> >
> > "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, 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."

Under paragraphs 3 and 5 of the above Presidential Decree, the case is exclusively cognizable by the Labor Arbiters of the National Labor Relations Commission.

It is to be noted that P.D. 1691 is an exact reproduction of Article 217 of the Labor Code (P.D. 442), which took effect on May 1, 1974. In Garcia vs. Martinez,[3] an action filed on August 2, 1976 in the Court of First Instance of Davao by a dismissed employee against his employer for actual, moral and exemplary damages, We held that under Article 217 of the Labor Code, the law then in force, the case was within the exclusive jurisdiction of the Labor Arbiters and the National Labor Relations Commission [NLRC]. This Court, per Justice Aquino, rationalized this holding thus:

> "The provisions of paragraphs 3 and 5 of Article 217 are broad and comprehensive enough to cover Velasco's employee's claim for damages allegedly arising from his unjustified dismissal by Garcia employer. His claim was a consequence of the termination of their employer-employee relations (Compare with Ruby Industrial Corporation vs. Court of First Instance of Manila, L-38893, August 31, 1977, 78 SCRA 499)."

Article 217 of the Labor Code was amended by P.D. 1367, which was promulgated on May 1, 1978, the full text of which is quoted as follows:

> "SECTION 1. Paragraph (a) of the Art. 217 of the Labor Code as amended is hereby further amended to read as follows:
>
> > "(a) The Labor Arbiters shall have exclusive jurisdiction to hear and decide the following cases involving all workers, whether agricultural or non-agricultural:
> >
> > '1)Unfair labor practice cases;

'2) Unresolved issues in collective bargaining, including those which involve wages, hours of work, and other terms conditions of employment; and

'3) All other cases arising from employer-employee relations duly indorsed by the Regional Directors in accordance with the provisions of this Code.'

"Provided, that the Regional Directors shall not indorse and Labor Arbiters shall not entertain claims for moral or other forms of damages."

It will be noted that paragraphs 3 and 5 of Article 217 were deleted from the text of the above decree and a new provision incorporated therein, to wit: "Provided that the Regional Directors shall not indorse and Labor Arbiters shall not entertain claims for moral or other forms of damages." This amendatory act thus divested the Labor Arbiters of their competence to pass upon claims for damages by employees against their employers.

However, on May 1, 1980, Article 217, as amended by P.D. 1367, was amended anew by P.D. 1691. This last decree, which is a verbatim reproduction of the original text of Article 217 of the Labor Code, restored to the Labor Arbiters of the NLRC the exclusive jurisdiction over claims, money or otherwise, arising from employer-employee relations, except those expressly excluded therefrom.

In sustaining its jurisdiction over the case at bar, the respondent court relied on Calderon vs. Court of Appeals,[4] where We ruled that an employee's action for unpaid salaries, allowances and other reimbursable expenses and damages was beyond the periphery of the jurisdictional competence of the Labor Arbiters. Our ruling in Calderon, however, no longer applies to this case because P.D. 1367, upon which said decision was based, had already been superseded by P.D. 1691. As heretofore stated, P.D. 1691 restored to the Labor Arbiters their exclusive jurisdiction over said classes of claims.

Respondent Tumala maintains that his action for delivery of the house and lot, his prize as top salesman of the company for 1979, is a

civil controversy triable exclusively by the court of general jurisdiction. We do not share this view. The claim for said prize unquestionably arose from an employer-employee relation and, therefore, falls within the coverage of par. 5 of P.D. 1691, which speaks of "all claims arising from employer-employee relations, unless expressly excluded by this Code." Indeed, Tumala would not have qualified for the contest, much less won the prize, if he was not an employee of the company at the time of the holding of the contest. Besides, the cause advanced by petitioners to justify their refusal to deliver the prize — the alleged fraudulent manipulations committed by Tumala in connection with his duties as salesman of the company — involves an inquiry into his actuations as an employee.

Besides, to hold that Tumala's claim for the prize should be passed upon by the regular court of justice, independently and separately from his claim for back salaries, retirement benefits and damages, would be to sanction split jurisdiction and multiplicity of suits which are prejudicial to the orderly administration of justice.

One last point. Petitioners contend that Tumala has no cause of action to ask for back salaries and damages because his dismissal was authorized by the Regional Director of the Ministry of Labor. This question calls for the presentation of evidence and the same may well be ventilated before the Labor Arbiter who has jurisdiction over the case. Besides, the issue raised is not for Us to determine in this certiorari proceeding. The extraordinary remedy of certiorari offers only a limited form of review and its principal function is to keep an inferior tribunal within its jurisdiction.[5]

WHEREFORE, the petition is granted, and respondent judge is hereby directed to dismiss Civil Case No. 13494, without prejudice to the right of respondent Tumala to refile the same with the Labor Arbiter. No costs.

SO ORDERED.

Barredo, *J.*, *(Chairman)*, Concepcion, Jr., De Castro and Ericta, *JJ.*, concur.

[1] U.S. vs. dela Santa, 9 Phil. 22.
[2] Philippine Appliance Corporation Employees Association — NATU vs. Philippine Appliance Corporation, 62 SCRA 495.
[3] 84 SCRA 577.
[4] 100 SCRA 495.
[5] Alberto vs. Court of First Instance of Manila, 23 SCRA 948.

SEPARATE OPINION

AQUINO, J., concurring:

I concur. Under Presidential Decree No. 1691, which took effect on May 1, 1980 and which amended Article 217 of the Labor Code by nullifying the amendment introduced by Presidential Decree No. 1367 (which took effect on May 1, 1978), that "Labor Arbiters shall not entertain claims for moral or other forms of damages", such claims may now be passed upon by Labor Arbiters just as they had jurisdiction over such claims when the Labor Code took effect on October 1, 1974 (Garcia vs. Martinez, L-47629, August 3, 1978, 84 SCRA 577, reconsidered in Resolution of May 28, 1979, 90 SCRA 331; Bengzon vs. Inciong, L-48706-07, June 29, 1979, 91 SCRA 248; Calderon vs. Amor, et al. and Court of Appeals, G.R. No. 52235, October 28, 1980, 100 SCRA 459 and Abad vs. Philippine American General Ins. Co., Inc., G.R. No. 50563, October 30, 1981).