SUPREME COURT
FIRST DIVISION

PEPSI COLA DISTRIBUTORS OF THE PHILIPPINES, INC., represented by its Plant General Manager ANTHONY B. SIAN, ELEAZAR LIMBAB, IRENEO BALTAZAR & JORGE HERAYA,
Petitioners,

-versus-

G.R. No. 89621
September 24, 1991

HON. LOLITA O. GAL-LANG, SALVADOR NOVILLA, ALEJANDRO OLIVA, WILFREDO CABAÑAS & FULGENCIO LEGO,
Respondents.
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D E C I S I O N

CRUZ, *J.*:

The question now before us has been categorically resolved in earlier decisions of the Court that a little more diligent research would have disclosed to the petitioners. On the basis of those cases and the facts now before us, the petition must be denied.

The private respondents were employees of the petitioner who were suspected of complicity in the irregular disposition of empty Pepsi Cola bottles. On July 16, 1987, the petitioners filed a criminal complaint for theft against them but this was later withdrawn and substituted with a criminal complaint for falsification of private documents. On November 26, 1987, after a preliminary investigation conducted by the Municipal Trial Court of Tanauan, Leyte, the complaint was dismissed. The dismissal was affirmed on April 8, 1988, by the Office of the Provincial Prosecutor.

Meantime, allegedly after an administrative investigation, the private respondents were dismissed by the petitioner company on November 23, 1987. As a result, they lodged a complaint for illegal dismissal with the Regional Arbitration Branch of the NLRC in Tacloban City on December 1, 1987, and demanded reinstatement with damages. In addition, they instituted in the Regional Trial Court of Leyte, on April 1988, a separate civil complaint against the petitioners for damages arising from what they claimed to be their malicious prosecution.

The petitioners moved to dismiss the civil complaint on the ground that the trial court had no jurisdiction over the case because it involved employee-employer relations that were exclusively cognizable by the labor arbiter. The motion was granted on February 6, 1989. On July 6, 1989, however, the respondent judge, acting on the motion for reconsideration, reinstated the complaint, saying it was "distinct from the labor case for damages now pending before the labor courts." The petitioners then came to this Court for relief.

The petitioners invoke Article 217 of the Labor Code and a number of decisions of this Court to support their position that the private respondents' civil complaint for damages falls under the jurisdiction of the labor arbiter. They particularly cite the case of Getz Corporation vs. Court of Appeals,[1] where it was held that a court of first instance had no jurisdiction over the complaint filed by a dismissed employee "for unpaid salary and other employment benefits, termination pay and moral and exemplary damages."

We hold at the outset that the case is not in point because what was involved there was a claim arising from the alleged illegal dismissal of an employee, who chose to complain to the regular court and not to

the labor arbiter. Obviously, the claim arose from employee-employer relations and so came under Article 217 of the Labor Code which then provided 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 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, medicare and maternity benefits;
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> 4. Cases involving household services; and
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> 5. Cases arising from any violation of Article 265 of this Code, including questions involving the legality of strikes and lockouts.
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> (b) The Commission shall have exclusive appellate jurisdiction over all cases decided by Labor Arbiters. [2]

It must be stressed that not every controversy involving workers and their employers can be resolved only by the labor arbiters. This will be so only if there is a "reasonable causal connection" between the claim asserted and employee-employer relations to put the case under the provisions of Article 217. Absent such a link, the complaint will be cognizable by the regular courts of justice in the exercise of their civil and criminal jurisdiction.

In Medina vs. Castro-Bartolome,[3] two employees filed in the Court of First Instance of Rizal a civil complaint for damages against their employer for slanderous remarks made against them by the company president. On the order dismissing the case because it came under the jurisdiction of the labor arbiters, Justice Vicente Abad Santos said for the Court:

> It is obvious from the complaint that the plaintiffs have not alleged any unfair labor practice. Theirs is a simple action for damages for tortuous 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.

In Singapore Airlines Ltd. vs. Paño,[4] where the plaintiff was suing for damages for alleged violation by the defendant of an "Agreement for a Course of Conversion Training at the Expense of Singapore Airlines Limited," the jurisdiction of the Court of First Instance of Rizal over the case was questioned. The Court, citing the earlier case of Quisaba vs. Sta. Ines Melale Veneer and Plywood, Inc.,[5] declared through Justice Herrera:

> 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 Molave Sales, Inc. vs. Laron,[6] the same Justice held for the Court that the claim of the plaintiff against its sales manager for payment of certain accounts pertaining to his purchase of vehicles and automotive parts, repairs of such vehicles, and cash advances from the corporation was properly cognizable by the Regional Trial Court of Dagupan City and not the labor arbiter, because "although a controversy is between an employer and an employee, the Labor Arbiters have no jurisdiction if the Labor Code is not involved."

The latest ruling on this issue is found in San Miguel Corporation vs. NLRC,[7] where the above cases are cited and the changes in Article 217 are recounted. That case involved a claim of an employee for a P60,000.00 prize for a proposal made by him which he alleged had been accepted and implemented by the defendant corporation in the processing of one of its beer products. The claim was filed with the labor arbiter, who dismissed it for lack of jurisdiction but was reversed by the NLRC on appeal. In setting aside the appealed decision and dismissing the complaint, the Court observed through Justice Feliciano:

> It is the character of the principal relief sought that appears essential, in this connection. Where such principal relief is to be granted under labor legislation or a collective bargaining agreement, the case should fall within the jurisdiction of the Labor Arbiter and the NLRC, even though a claim for damages might be asserted as an incident to such claim.
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> Where the claim to the principal relief sought is to be resolved not by reference to the Labor Code or other labor relations statute or a collective bargaining agreement but by the general civil law, the jurisdiction over the dispute belongs to the regular courts of justice and not to the Labor Arbiter and the NLRC. In such situations, resolution of the dispute requires expertise, not in labor management relations nor in wage structures and other terms and conditions of employment, but rather in the application of the general civil law. Clearly, such claims fall outside the area of competence or expertise ordinarily ascribed to Labor Arbiters and the NLRC and the rationale for granting jurisdiction over such claims to these agencies disappears.
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> While paragraph 3 above refers to "all money claims of workers," it is not necessary to suppose that the entire universe of money claims that might be asserted by workers against their

> employers has been absorbed into the original and exclusive jurisdiction of Labor Arbiters.
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> For it cannot be presumed that money claims of workers which do not arise out of or in connection with their employer-employee relationship, and which would therefore fall within the general jurisdiction of the regular courts of justice, were intended by the legislative authority to be taken away from the jurisdiction of the courts and lodged with Labor Arbiters on an exclusive basis. The Court, therefore, believes and so holds that the "money claims of workers" referred to in paragraph 3 of Article 217 embraces money claims which arise out of or in connection with the employer-employee relationship, or some aspect or incident of such relationship. Put a little differently, that money claims of workers which now fall within the original and exclusive jurisdiction of Labor Arbiters are those money claims which have some reasonable causal connection with the employer-employee relationship (Ibid.).

The case now before the Court involves a complaint for damages for malicious prosecution which was filed with the Regional Trial Court of Leyte by the employees of the defendant company. It does not appear that there is a "reasonable causal connection" between the complaint and the relations of the parties as employer and employees. The complaint did not arise from such relations and in fact could have arisen independently of an employment relationship between the parties. No such relationship or any unfair labor practice is asserted. What the employees are alleging is that the petitioners acted with bad faith when they filed the criminal complaint which the Municipal Trial Court said was intended "to harass the poor employees" and the dismissal of which was affirmed by the Provincial Prosecutor "for lack of evidence to establish even a slightest probability that all the respondents herein have committed the crime imputed against them." This is a matter which the labor arbiter has no competence to resolve as the applicable law is not the Labor Code but the Revised Penal Code.

"Talents differ, all is well and wisely put," so observed the philosopher-poet.[8] So it must be in the case we here decide.

WHEREFORE, the order dated July 6, 1989, is **AFFIRMED** and the petition **DENIED**, with costs against the petitioner.

SO ORDERED.

Narvasa, Griño-Aquino and Medialdea, *JJ.*, concur.

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[1] 116 SCRA 86.

[2] This has since been amended by Sec. 9, R.A. 6715, effective March 21, 1989, to read as follows:

> ART. 217. Jurisdiction of Labor Arbiters and the Commission. — (a) Except as otherwise provided under this Code the Labor Arbiters shall have original and exclusive jurisdiction to hear and decide within thirty (30) calendar days after the submission of the case by the parties for decision without extension, even in the absence of stenographic notes, the following cases involving all workers, whether agricultural or non-agricultural:
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> 1. Unfair labor practice cases;
> 2. Termination disputes;
> 3. If accompanied with a claim for reinstatement, those cases that workers may file involving wages, rates of pay, hours of work and other terms and conditions of employment;
> 4. Claims for actual, moral, exemplary and other forms of damages arising from the employer-employee relations;
> 5. Cases arising from any violation of Article 264 of this Code, including questions involving the legality of strike and lockouts; and
> 6. Except claims for Employees Compensation, Social Security, Medicare and maternity benefits, all other claims, arising from employer-employee relations, including those of persons in domestic or household service, involving an amount exceeding five thousand pesos (P5,000.00) regardless of whether accompanied with a claim for reinstatement.
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> (b) The Commission shall have exclusive appellate jurisdiction over all cases decided by Labor Arbiters.
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> (c) Cases arising from the interpretation or implementation of collective bargaining agreement and those arising from the interpretation or enforcement of company personnel policies shall be disposed of by the Labor Arbiter by referring the same

to the grievance machinery and voluntary arbitration as may be provided in said agreements.

[3] 116 SCRA 597.
[4] 122 SCRA 671.
[5] 58 SCRA 771.
[6] 129 SCRA 719.
[7] 161 SCRA 719.
[8] "The Mountain and the Squirrel," by Ralph Waldo Emerson.