SUPREME COURT
SECOND DIVISION

PHILIPPINE AIRLINES INC.,
***Petitioner*,**

-versus-

G.R. No. 113827
July 5, 1996

NATIONAL LABOR RELATIONS COMMISSION, ARBITER RAMON VALENTIN C. REYES, AND STELLAR EMPLOYEES ASSOCIATION,
***Respondents*.**
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D E C I S I O N

ROMERO, *J.*:

Not infrequently, a party comes before this Court questioning an Order or Resolution issued in relation to a case, but ends up prematurely discussing the merits of the case itself. This petition illustrates the point.

On different dates between 1988 and 1991, some 150 employees recruited by Stellar Industrial Services, Inc. (SISI) to work for petitioner Philippine Airlines, Inc. (PAL) filed several cases against the latter for regularization, illegal dismissal, reinstatement, back wages and wage differentials. The cases which involved essentially the

same complainants were later grouped into two consolidated cases: regularization, under Labor Arbiter Jose de Vera, and illegal dismissal, under Labor Arbiter: Ramon Valentin Reyes.

In his Decision dated March 31, 1992, Labor Arbiter de Vera declared the complainants to be regular employees of PAL and ordered the latter to pay them a total of over 46 million pesos, representing benefits and attorney's fees. At the time of the filing of instant petition, said decision was still before the National Labor Relations Commission (NLRC) on appeal.

On December 10, 1992, Labor Arbiter Reyes decided the illegal dismissal case based on the pleadings and evidence submitted. He declared the dismissal by PAL of the complainants illegal and ordered PAL to absorb complainants to its regular force and to reinstate them to their former positions without loss of seniority rights and benefits, as provided in the PAL-PALEA CBA and to pay them the following as provided likewise in the PAL-PALEA CBA: P23,863,702.00, representing back wages, 13th month pay and vacation leave; rice entitlement of complainants; and P2,072,902.20, as attorney's fees. He then absolved SISI from any liability for lack of legal and factual basis.

This decision was likewise appealed to the NLRC. On April 2, 1993, however, upon motion of the complainants and pending resolution of the said appeal, Labor Arbiter Reyes issued a writ of execution directing the reinstatement of 152 complainants either physically or through the payroll, at PAL's option.[1]

In an attempt to stop said execution, PAL filed on May 6, 1993 before the NLRC a petition for the issuance of a writ of injunction with prayer for the issuance of a temporary restraining order in relation to both the regularization and illegal dismissal cases.

On September 30, 1993, the NLRC, in a Resolution, dismissed PAL's Petition for Injunction[2] for lack of merit, citing Article 223 of the Labor Code, as amended by Republic Act No. 6715. The pertinent provision of Article 223 states thus:

> "ART. 223. Appeal. — . . .

> In any event, the decision of the Labor Arbiter reinstating a dismissed or separated employee, insofar as the reinstatement aspect is concerned, shall immediately be executory, even pending appeal. The employee shall either be admitted back to work under the same terms and conditions prevailing prior to his dismissal or separation or, at the option of the employer, merely reinstated in the payroll. The posting of a bond by the employer shall not stay the execution for reinstatement provided herein.
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> x x x

PAL's motion for reconsideration of said resolution was also denied by the NLRC in its resolution dated December 2, 1993.[3] The question that thus arises is simple: Did the NLRC commit grave abuse of discretion in dismissing the petition for injunction and denying the motion for reconsideration? This is the only issue that may be raised before this Court at this juncture.

It may be noted here that this is the second time that this petition has been filed. The first one, filed on January 13, 1994 and docketed as G.R. No. 113172, was denied in the Court's resolution dated January 24, 1994 "for failure of the petitioner (PAL) to submit a certification that no other action or proceeding involving the same issues raised in this case has been filed or is pending before any court, tribunal or agency pursuant to Circular No. 28-91 dated September 17, 1991." Petitioner refiled the same petition on February 24, 1994, this time with all the formal requirements and still within a "reasonable time" from notice of the denial of its motion for reconsideration on January 3, 1994.

In its petition, PAL questioned the application by the NLRC of Article 223 of the Labor Code, asserting that "this provision does not apply where there is no 'reinstatement' to speak of as in the instant case, where the alleged employer-employee relationship is contested because the complainants in the case below never have been employees of the petitioner herein. The above provision of the law is only applicable where (an) employer-employee relationship is supported by clear evidence or where it is admitted to be existent."[4]

This argument is untenable.

The intent of the law in making a reinstatement order immediately executory is much like a return-to-work order, i.e., to restore the status quo in the workplace in the meantime that the issues raised and the proofs presented by the contending parties have not yet been finally resolved.[5] It is a legal provision which is fair to both labor and management because while execution of the order cannot be stayed by the posting of a bond by the employer, the workers also cannot demand their physical reinstatement if the employer opts to reinstate them only in the payroll.

Although PAL is challenging the existence of an employer-employee relationship between it and the complainants below, it is indisputable that prior to the filing of these numerous cases before the Labor Arbiter, the said complainants were working for PAL. In fact, Labor Arbiter de Vera, in his decision of March 31, 1992, declared complainants to be regular employees of PAL. So did Labor Arbiter Reyes.[6] It is settled that factual findings of quasi-judicial agencies, such as the NLRC, which have gained expertise on matters within their jurisdictions are treated by the Supreme Court with respect and even finality when supported by substantial evidence.[7] We do not see any reason to depart from this policy. Hence, applying Article 223 strictly, which is the only way it can truly be given effect, PAL, as an employer, is given the choice of accepting the complainants back or simply reinstating them in its payroll until the regularization and illegal dismissal cases are determined definitively.

PAL's claim that Article 223 "is only applicable where (an) employer-employee relationship is supported by clear evidence or where it is admitted to be existent," is irrelevant inasmuch as the Labor Arbiters have declared that the complainants are employees of petitioner PAL.

Neither can the Court give weight to PAL's allegation that Labor Arbiter Reyes relied on the unilateral declarations of the complainants in arriving at his conclusion. PAL submitted its position paper and supporting documents which, together with those filed by the complainants and SISI, were "thoroughly" considered by Labor Arbiter Reyes[8] who saw no need for a formal trial or hearing as the

case and related matters can be resolved on the basis of the pleadings and documents submitted. This procedure of dispensing with a formal trial or hearing at the discretion of the Labor Arbiter once such pleadings and position papers are submitted is clearly within the powers of his office, as laid down in Section 4, Rule V of The New Rules of Procedure of the NLRC which states:

> "Section 4. Determination of Necessity of Hearing, — Immediately after the submission by the parties of their position papers/memorandum, the Labor Arbiter shall motu proprio determine whether there is need for a formal trial or hearing. At this stage, he may, at his discretion and for the purpose of making such determination, ask clarificatory questions to further elicit facts or information, including but not limited to the subpoena of relevant documentary evidence, if any(,) from any party or witness."

Accordingly, the NLRC was simply applying the law when it dismissed PAL's petition for injunction and denied the motion for reconsideration thereof. It committed no abuse of discretion, let alone grave abuse thereof, which may be corrected by certiorari. This Court cannot touch upon the very merits of the cases involved, as petitioner would have us do, because not only are they still pending appeal before the NLRC, but the questioned resolutions themselves are devoid of any discussion, substantial or otherwise, of the issues raised in the petition.

WHEREFORE, the instant petition for certiorari with prayer for the issuance of a writ of preliminary injunction or a temporary restraining order is hereby **DISMISSED**, with costs against the petitioner Philippine Airlines, Inc.

SO ORDERED.

Regalado, Puno, Mendoza and Torres, Jr., JJ ., concur.

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[1] Rollo, pp. 179-181.
[2] Ibid., p. 28.
[3] Id., p. 29.

[4] Id., p. 23.
[5] San Juan de Dios Educational Foundation, Inc. vs. The Secretary of Labor, et al., G.R. No. 117226, March 27, 1995.
[6] Decision dated December 10, 1992, p. 7; Rollo, p. 36.
[7] Sebuguero vs. NLRC, G.R. No. 115394, 248 SCRA 532 (1995); Panay Electric Co., Inc. vs. NLRC, G.R. No. 102672, 248 SCRA 688 (1995).
[8] Rollo, p. 34.