SUPREME COURT
SECOND DIVISION

SGS FAR EAST LTD., NEIL TOVEY and RAMON GO, in their capacity as Operations Manager and Administrative Manager,
***Petitioners*,**

-versus-

G.R. No. 123944
February 12, 1998

NATIONAL LABOR RELATIONS COMMISSION (NLRC), PHILIPPINE SOCIAL SECURITY LABOR UNIONS-FED (PSSLU) and its Four Members CRISANTO ORTIZ, MAURICIO FORBES, JR., ARTURO GALLARDO and TONY LIM,
***Respondents*.**
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D E C I S I O N

PUNO, *J.*:

Before us is a Petition for *Certiorari* and Prohibition under Rule 65 of the Rules of Court to set aside two (2) Resolutions issued by public respondent National Labor Relations Commission (NLRC) denying petitioners' Appeal[1] and Motion for Reconsideration.[2]

It appears that on February 2, 1982, a complaint for underpayment of wages and violation of labor standard laws, docketed as NLRC Case No. NCR-2-2095-82, was filed by private respondent Philippine Social Security Labor Union Federation (PSSLU) and thirteen (13) of its members. On August 4, 1982, the case was amicably settled when the parties executed a compromise agreement, viz:[3]

> "1) The EMPLOYER hereby affirms the status of the thirteen (13) individual complainants in the aforementioned case, namely, Joseph Valerio, Delfin Bragais, Rodolfo Fermin, Antonio Lim, Arturo Gallardo, Crisanto Ortiz, Manuel Alcera, Alexander Fernandez, Mauricio Forbes, Jr., Rogelio Santero, Arminio Malawig, Melvin Santero and Antonio Santero, as regular seasonal daily-paid employees.
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> "2) The EMPLOYER shall pay the aforesaid thirteen (13) complainants the amount of FIFTY THOUSAND PESOS (P50,000.00) in full and complete settlement of all money claims in the aforementioned labor case, said amount to be paid in two equal installments: the first to be paid upon the execution of this agreement and the final payment fifteen (15) days thereafter or on August 19, 1982.
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> "3) There shall be no change in the terms and conditions governing the employment of all the 13 complainants in this case.
>
> "4) The employer undertakes to comply with all the requirements of law with respect to terms and conditions of employment which are now or hereafter may be legislated in so far as the same are applicable to the aforesaid individual complainants.

"5) The employer manifests that the individual complainants, if qualified, shall be given priority in hiring the moment a vacancy or vacancies occur in its Manila Office for regular monthly-paid field employees.

"6) The COMPLAINANTS and the EMPLOYER shall file a Joint Motion to dismiss in the aforementioned labor case together with a Release, Waiver and Quitclaim to be executed by the thirteen (13) individual complainants."

Thus, NLRC Case No. NCR-2-2095-82 was dismissed in an order issued by Labor Arbiter Raymundo Valenzuela dated August 24, 1982.[4] The Deed of Release and Quitclaim was executed and signed by the complainants. Three (3) years later or on August 16, 1985, private respondents Crisanto Ortiz, Mauricio Forbes, Jr., Tony Lim and Arturo Gallardo filed a Manifestation and Motion before the Office of Labor Arbiter Emerson Tumanon alleging that: (1) they were not allowed to work by SGS;[5] (2) SGS has not complied with Presidential Decrees and Wage Orders; (3) they were not given priority in employment; and (4) SGS violated the August 4, 1982 Compromise Agreement. Petitioner SGS filed a Motion to Dismiss alleging that Labor Arbiter Tumanon had no jurisdiction to decide private respondents' Motion and Manifestation which raised a cause of action not covered by the Compromise Agreement. It also alleged compliance with the compromise agreement and labor laws governing wages.

On February 6, 1989, Labor Arbiter Tumanon denied the Motion to dismiss and held:[6]

"(U)nder the circumstances, this Office has jurisdiction over this incidental case, without the necessity as urged by respondents, of the four (4) complainants filing a new or another case which to this Labor Arbiter, is a resort to technicality and is abhorred by the spirit of the NLRC Rules or the New Rules of Court which are supplementary to the former.

"WHEREFORE, judgment is hereby rendered ordering respondents to pay the four (4) individual complainants herein their monetary claim of P20,129.43 each, totalling P80,517.72

as above itemized; to reinstate them with backwages for three (3) years without deduction or qualification, based on the highest salary rate they should be receiving or to which they were entitled as of their actual reinstatement had they not been discriminated against in promotion as regular employees and without loss of seniority rights and other benefits nor reduction of income ante litem motam. In other words, their backwages should be based on the last three years' salaries of employees with substantially the same length of service who were given promotions in substantially the same positions to which complainants should have been promoted had they not been victims of discrimination."

"Respondents are likewise directed to comply strictly with the terms of the Compromise Agreement in line with the above pronouncement, especially on matters of promotion, there being no showing that complainants are not qualified as regular monthly-paid employees in respondent's Manila Office.

"Ten percent (10%) of the judgment award as attorney's fees payable by respondents is likewise herein granted.

"SO ORDERED."

SGS appealed to the NLRC. On August 8, 1991, the NLRC reversed Labor Arbiter Tumanon and ruled that the latter had no jurisdiction to decide private respondents' Motion and Manifestation. It held that private respondents should file a new case.[7] Private respondents' Motion for Reconsideration was denied on September 3, 1991.[8] They then filed a Petition for Certiorari before this Court which was docketed as G.R. No. 101698. On March 23, 1994, the First Division of this Court set aside the ruling of the NLRC and resolved that Labor Arbiter Tumanon had jurisdiction to decide the claims of private respondents,[9] thus:

"There is no question that the present claims could not possibly have accrued before the execution of the compromise agreement; otherwise, they would have been included in the original complaint. In any event, it is clear that the compromise agreement did not only settle the money claims of the

> petitioners that had already accrued but also included stipulations which would cover future situations. The agreement was intended to apply also to future claims that may arise as a result of a violation of its terms. The records show that these claims were extensively discussed in the pleadings of the parties and were the subject of the hearings conducted by the Labor Arbiter."
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> x x x
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> "WHEREFORE, the assailed Decision and Resolution of the respondent NLRC dated August 6, 1991, and September 3, 1991, respectively, are ANNULLED and SET ASIDE; the decision of Labor Arbiter Tumanon dated February 6, 1989, is AFFIRMED; and Labor Arbiter Tumanon is ORDERED to issue the corresponding writ of execution in connection with NLRC Case No. NCR-2-2045-82." (Emphasis supplied)

After entry of judgment, the case was referred to a different Labor Arbiter, Valentin C. Reyes, for execution. Labor Arbiter Reyes required the parties to submit their respective computations of the monetary award given in the decision of Labor Arbiter Tumanon. Private respondents' computation reached P4,806,052.41. The computation of petitioners merely totalled P298,552.48.[10]

On October 18, 1994, Labor Arbiter Reyes issued his Order,[11] to wit:

> "This Office finds without reservation the correctness and justness of the computation submitted by the complainants which is in accord with the resolution of the Honorable Supreme Court. Furthermore, considering that this case was instituted in 1984 yet issuance of corresponding writ of execution is in order (sic).
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> "WHEREFORE, premises all considered, the amount of P4,806,052.41 is hereby approved and the corresponding writ of execution be issued.
>
> "SO ORDERED."

On November 21, 1994, petitioners appealed[12] the Writ of Execution to the NLRC (Second Division) contending that:

> "a. (The) Labor Arbiter Reyes erred in ordering the payment of P4,806,052.41 to complainants, as the award is unreasonable, excessive and varied the tenor of the judgment.
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> "b. The assailed order is appealable.
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> "c. The Labor Arbiter failed to carefully study the correct individual complainants' monetary entitlement and other matters related to the case.
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> "d. The computation submitted by the Socio-Economic Analyst and the respondents have been altogether salvaged for unjustifiable reasons.
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> "e. 200% monthly basic pay for every year of service was even awarded on top of other questionable amounts.
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> "f. The Labor Arbiter failed to comply with Rule VIII, Section 3 of the NLRC Rules."

On December 11, 1995, the NLRC dismissed petitioners' appeal holding, viz:[13]

> "Time and again, the Supreme Court has succinctly stated that: An order of execution is not merely interlocutory but final in character because its purpose is to enforce a decision on the merits rendered in the main case. (Allied Free Workers' Union versus Estipona, L-17934, December 28, 1961, 3 SCRA 780).
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> "To stay execution of a final and executory judgment, a writ of preliminary injunction must be obtained. (Service Specialists, Inc. versus Sheriff of Manila, 145 SCRA 130). As such, the appeal is misplaced. We are hard put to find any legal basis to entertain it.

> "After a decision has become final, the prevailing party becomes entitled as a matter of right to its execution, that it becomes merely the ministerial duty of the court to issue the execution. (Republic versus Reyes, 71 SCRA 430).
>
> "In the light of the foregoing consideration, it appearing that the challenged order merely directs the implementation of the decision of Labor Arbiter Tumanon which was affirmed by the Supreme Court, this Commission has lost jurisdiction over the case."

Petitioners' Motion for Reconsideration was denied by the NLRC on January 18, 1996.[14]

Hence, SGS contends in this petition:

I

> PUBLIC RESPONDENT NLRC SECOND DIVISION ACTED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF OR IN EXCESS OF JURISDICTION IN PROMULGATING ITS RESOLUTIONS DATED 11 DECEMBER 1995 AND 18 JANUARY 1996, RESPECTIVELY, THE SAME BEING IN CONTRAVENTION OF THE EXPRESS MANDATE OF THE LAW GOVERNING THE APPELLATE JURISDICTION OF THE NATIONAL LABOR RELATIONS COMMISSION.

II

> PUBLIC RESPONDENT NLRC SECOND DIVISION ACTED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF OR IN EXCESS OF JURISDICTION IN PROMULGATING ITS RESOLUTIONS DATED 11 DECEMBER 1995 AND 18 JANUARY 1996, RESPECTIVELY, THE SAME BEING IN CONTRAVENTION OF THE EXPRESS MANDATE OF THE LAW GOVERNING THE WRITS OF EXECUTION AND BACKWAGES.

III

THERE IS NO APPEAL, NOR ANY PLAIN, SPEEDY AND ADEQUATE REMEDY IN THE ORDINARY COURSE OF LAW.[15]

In its Manifestation and Motion (in lieu of Comment), dated September 4, 1996, the Solicitor General conceded the correctness of the petition.

We grant the petition.

The public respondent gravely abused its discretion in refusing to assume jurisdiction over the appeal of the petitioners. Its refusal is based on the general rule that "after a decision has become final, the prevailing party becomes entitled as a matter of right to its execution, that it becomes merely the ministerial duty of the court to issue the execution."[16] The general rule, however, cannot be applied where the writ of execution is assailed as having varied the decision.[17] In the case at bar, petitioners have vigorously assailed the correctness of the computation of arbiter Reyes. They also alleged it has materially altered the decision of arbiter Tumanon. Among others, petitioners contend that: 1) the salary rate for the computation of the three (3) years backwages should be the last salary rate received; and (2) the award of 200% monthly basic pay for every year of service is not within the purview of the judgment sought to be executed. If petitioners are correct, they are entitled to the remedy of appeal to the NLRC.[18] In Bliss Development Corporation vs. NLRC,[19] we held that "the NLRC is vested with authority to look into the correctness of the execution of the decision and to consider supervening events that may affect such execution." We explained the rational for the remedy in Matriguina Integrated Wood Products vs. CA,[20] viz: "where the execution is not in harmony with the judgment which gives it life and exceeds it, it has pro tanto no validity. To maintain otherwise would be to ignore the constitutional provision against depriving a person of his property without due process of law."

IN VIEW WHEREOF, the resolutions of the public respondent dated December 11, 1995 and January 18, 1996 are set aside and the case is remanded to the NLRC for further proceedings. No costs.

SO ORDERED.

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

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[1] Dated December 11, 1995, Rollo, p. 37.
[2] Dated January 18, 1996, Rollo, p. 41.
[3] August 4, 1982 Compromise Agreement, Rollo, pp. 45-46.
[4] Annex D to the Petition, Rollo, pp. 49-51.
[5] Their dates of dismissal were:
(a) Crisanto Ortiz - May 21, 1984.
(b) Mauricio Forbes, Jr. - July 15, 1985.
(c) Tony Lim - July 15, 1985.
(d) Arturo Gallardo - July 15, 1985.
[6] Decision, pp. 7-8; Rollo, pp. 63-64.
[7] Annex G to the Petition, Rollo, pp. 65-79.
[8] Annex H to the Petition, Rollo, p. 80.
[9] Annex I to the Petition, Rollo, pp. 81-84.
[10] Annex L to the Petition, Rollo, p. 91.
[11] Order, p. 4; Rollo, p. 89.
[12] Pleading denominated as Notice and Memorandum of Appeal, Resolution, p. 3; Rollo, p. 39.
[13] Rollo, pp. 40-41.
[14] Supra notes 1 and 2.
[15] Petition, p. 12; Rollo, p. 14.
[16] Citing Republic vs. Reyes, 71 SCRA 430 (1976).
[17] GSIS vs. Court of Appeals, et al., 218 SCRA 233 (1993).
[18] Section 2(a), Rule VI of the New Rules of Procedure of the NLRC; see also Article 217 (b) of the Labor Code.
[19] 247 SCRA 808 (1995); see also Madado vs. CA, 185 SCRA 80 (1990); Pacific Mills, Inc. vs. NLRC, 181 SCRA 130 (1990).
[20] G.R. No. 98310, October 24, 1996.
