

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
FIRST DIVISION**

**HON. ARIEL C. SANTOS, as Labor
Arbiter of the National Capital Region,
*Petitioner,***

-versus-

**G.R. No. 88643
July 23, 1991**

**HON. WILLIAM BAYHON, as Presiding
Judge of the Regional Trial Court, NCR,
BRANCH XXIII, Manila, ATTY.
NICOLAS GEROCHI, JR., ATTY.
MARJORIE DOCDOCIL, PRISCILLA
CARRERA,**

Respondents.

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DECISION

GRÍÑO-AQUINO, J.:

In this Petition for *Certiorari* with Preliminary Injunction/Temporary Restraining Order, Labor Arbiter Ariel C. Santos (herein petitioner) questions the jurisdiction of the Regional Trial Court to issue a writ of preliminary injunction to prevent the enforcement of the writ of execution in a labor case, and said Judge's order dated May 31, 1989 citing him (petitioner) for indirect contempt and ordering his arrest for disobeying the injunction.

On November 6, 1985, a decision was rendered by Labor Arbiter Ceferina Diosana in NLRC-NCR Case No. 1-313-85 entitled, "Kamapi vs. Poly-Plastic Products and/or Anthony Ching," in favor of Kamapi. The decision was affirmed in toto by the National Labor Relations Commission (NLRC) on August 18, 1987. After the decision had become final and executory, Kamapi obtained a writ of execution against the properties, consisting of machineries and equipment, of Poly-Plastic Products or Anthony Ching. However, respondent Priscilla Carrera filed a third party claim alleging that Anthony Ching had sold the machinery and pieces of equipment to her. Nevertheless, the public auction sale proceeded on March 29, 1988. It was conducted by Deputy Sheriff Jaime Pambuan in the presence of Carrera and her counsel after the judgment creditor had posted an indemnity bond of P115,000 in favor of the deputy sheriff to answer for any damage that he may incur should it be found later that the third-party claim is valid and lawful.

On April 4, 1988, Carrera filed in the Regional Trial Court of Manila (Civil Case No. 88-44154) her claim to the levied properties and obtained a temporary restraining order enjoining Labor Arbiter Diosana and NLRC Deputy Sheriff Pambuan from issuing a certificate of sale over the levied properties.

On April 12, 1988, Diosana inhibited herself from hearing Carrera's third-party complaint. The case was re raffled and assigned to Labor Arbiter Ariel Santos.

During the hearing of the third-party claim by Labor Arbiter Santos on April 26, 1988, Carrera's counsel, Atty. Nicolas Gerochi, Jr., submitted a xerox copy of the alleged deed of sale but the petitioner asked to see the original. Atty. Gerochi brought to the May 9, 1988 hearing the supposed original copy but upon comparison, it was found to be not the original of the xerox copy that was presented by Atty. Gerochi. On May 11, 1988, Labor Arbiter Santos issued an order declaring the xerox copy of the deed of sale fictitious and allowing the execution to proceed against the properties of Poly-Plastic Products.

Santos and Pambuan filed a motion to dismiss the civil case on the ground that the RTC did not have jurisdiction over the labor case, for

exclusive jurisdiction is vested in the NLRC (Art. 255, Labor Code) and no injunction or restraining order may be issued by any court or entity in a labor dispute.

On April 22, 1988, Judge William Bayhon of RTC, Manila, issued an order enjoining Labor Arbiter Ceferina Diosana and sheriff Jaime Pambuan from enforcing the writ of execution against the properties claimed by Carrera pending the determination of the validity of the sale made in her favor by the judgment debtor Poly-Plastic Products and Anthony Ching.

On May 13, 1988, Atty. Gerochi filed in Civil Case No. 884154 an urgent omnibus motion praying that herein petitioner be cited for indirect contempt for disobeying the order of the court dated April 22, 1988 and to order his arrest.

On May 31, 1989, Judge William Bayhon issued an order declaring Santos guilty beyond reasonable doubt of indirect contempt, ordering his immediate arrest, sentencing him to seven (7) days in jail, and to pay a fine of P1,000 with subsidiary imprisonment in case of insolvency. He further ordered the return of the machineries and equipment of Priscilla Carrera. Santos forthwith elevated the matter to this Court for review on the ground that Judge Bayhon's arrest order dated May 31, 1989 is a nullity because Art. 254 of the Labor Code prohibits the issuance of an injunction or restraining order "in any case involving or growing out of labor disputes except as otherwise provided in Articles 218 and 264 of this Code."

Article 218 speaks of the power of the Commission to issue an injunction due to a labor dispute, while Art. 264 refers to the power of the same Commission to issue injunction in case of strikes or lockouts.

Petitioner alleges further that Judge Bayhon has no jurisdiction to cite petitioner for contempt, for the case grew out of a labor dispute.

Respondents, on the other hand, claim that Judge Bayhon has jurisdiction over the third party claim for respondent Carrera was never a party in the labor dispute between Anthony Ching (judgment

debtor) and the members of the Kamapi (judgment creditors), and she had no employer-employee relationship with any of them.

The petition has no merit, for the power of the NLRC to execute its judgments extends only to properties unquestionably belonging to the judgment debtor (*Special Servicing Corp. vs. Centro La Paz*, 121 SCRA 748).

The general rule that no court has the power to interfere by injunction with the judgments or decrees of another court with concurrent or coordinate jurisdiction possessing equal power to grant injunctive relief, applies only when no third-party claimant is involved (*Traders Royal Bank vs. Intermediate Appellate Court*, 133 SCRA 142). When a third-party, or a stranger to the action, asserts a claim over the property levied upon, the claimant may vindicate his claim by an independent action in the proper civil court which may stop the execution of the judgment on property not belonging to the judgment debtor. The following rulings of this Court are apropos:

“When the sheriff, acting beyond the bounds of his authority, seizes a stranger’s property, the writ of injunction, which is issued to stop the auction sale of that property, is not an interference with the writ of execution issued by another court because the writ of execution was improperly implemented by the sheriff. Under that writ, he could attach the property of the judgment debtor. He is not authorized to levy upon the property of the third claimant.” (*National Mines and Allied Workers Union vs. Vera*, 133 SCRA 259.)

“There is no question that the writ of execution was issued against the judgment debtors (the Former Owner) in Civil Case No. Q29325, Court of First Instance (now Regional Trial Court) Branch IV of Quezon City. However, what was levied upon by the Sheriff are the properties allegedly owned by the New Owners of the TML Garments, Inc. This fact of ownership was claimed by the New Owners or petitioners herein in their Motion to Intervene before the trial court. Petitioners contend that they were not the original parties impleaded as co-defendants in Civil Case No. Q-29325; that they were not summoned to appear before the court; that they did not

participate in any manner in the proceedings before the court and that the decision of the court a quo did not include them as judgment debtors who should pay the judgment debt, and therefore to compel them to pay the obligation incurred by the former owner of TML Garments, Inc., without due process of law will amount to a deprivation of their property. Wellsettled is the rule that a writ of execution can only be issued against one who is a party to the action and not against one who, not being a party in the case, has not yet had his day in court.” (New Owners/ Management of TML Garments, Inc. vs. Zaragoza, 170 SCRA 563.)

“If the disputed property did not belong to the judgment debtor in NLRC Case No. 7-2577-84, it could not be validly levied upon by the sheriff for the satisfaction of the judgment therein.” (Peñalosa, et al. vs. Hon. Villanueva, et al., 177 SCRA 778.)

Consequently, the Regional Trial Court of Manila had jurisdiction to stop by injunction the National Labor Relations Commission’s sheriff from proceeding with the auction sale of the property claimed by the private respondent, to satisfy the claims of the labor union against the Poly-Plastic Products.

WHEREFORE, the petition is dismissed for lack of merit.

SO ORDERED.

Narvasa, Cruz, Gancayco and Medialdea, JJ ., concur.