

## THIRD DIVISION

[ G.R. No. 141380, April 14, 2004 ]

### **TEXON MANUFACTURING AND BETTY CHUA, PETITIONERS, VS. GRACE MILLENA AND MARILYN MILLENA, RESPONDENTS.**

#### **D E C I S I O N**

##### **SANDOVAL-GUTIERREZ, J.:**

For resolution is a petition for review on certiorari assailing the Decision<sup>[1]</sup> dated August 9, 1999 and Resolution<sup>[2]</sup> dated December 29, 1999 of the Court of Appeals in CA-G.R. SP No. 51838, "*Texon Manufacturing and/or Betty Chua vs. Grace and Marilyn Millena.*"

The facts as culled from the records are:

Sometime in February 1990 and May 1990, Marilyn and Grace Millena, respondents, were employed by Texon Manufacturing, petitioner company.

However, in the summer of 1995, petitioner company terminated the services of respondent Grace Millena, prompting her to file with the Labor Arbiter, on August 21, 1995, a complaint for money claims representing underpayment and non-payment of wages, overtime and holiday pay. Impleaded as respondents were petitioner company and its owner, Betty Chua. The case was docketed as NLRC Case No. 00-08-05918-95.

Similarly, on September 8, 1995, petitioner company terminated the services of respondent Marilyn Millena. The following day, she went to petitioner's office to get her salary. Betty Chua then offered her the sum of P1,500.00 as a starting capital for a small business. At that instance, Francisco Tan, Betty Chua's husband, asked her to sign a blank piece of paper. Thinking that it was a receipt for the amount of P1,500.00 given by Betty Chua, respondent signed the blank sheet. However, it turned out that it was a resignation letter and quitclaim of her back salaries. Thus, on September 11, 1995, she filed with the Labor Arbiter a complaint for illegal dismissal with prayer for payment of full backwages and benefits, docketed as NLRC Case No. 00-09-06215-95. Forthwith, the two (2) cases were consolidated.

On November 21, 1995, petitioners filed a motion to dismiss both complaints on the ground of prescription.

On January 10, 1996, the Labor Arbiter issued an Order<sup>[3]</sup> denying the motion to dismiss.

Petitioners then interposed an appeal to the National Labor Relations Commission (NLRC).

On February 27, 1997, the NLRC promulgated an Order<sup>[4]</sup> dismissing the appeal and affirming the Arbiter's Order.

Petitioners filed a motion for reconsideration but was denied by the NLRC.

Consequently, petitioners filed a petition for certiorari with the Court of Appeals.

On August 9, 1999, the Appellate Court rendered a Decision affirming the NLRC Order. In sustaining the denial by the NLRC of petitioners' motion to dismiss, the Court of Appeals held:

"Admittedly, the three year prescriptive period under Article 291 of the Labor Code, is supposedly counted from the time the cause of action accrued.

x x x

"We repeat, Grace and Marilyn were employed in May 1990 and February 1990, respectively, but were terminated in the summer of 1995 and September 8, 1995.

"We rule, the three-year period did not yet prescribe, considering that Grace filed her complaint on August 21, 1995, while Marilyn filed her complaint in September 1995.

x x x

"Indeed, there is no merit in the contention of petitioner that Article 291 of the Labor Code is applicable in the case at bar insofar as respondent Marilyn Millena is concerned. The action for illegal dismissal, underpayment of wages, holiday pay, overtime pay, service incentive leave pay was filed by private respondent Marilyn Millena on September 11, 1995, or two (2) days after the alleged effectivity date of her dismissal on September 8, 1995 which was well within the four (4) year prescriptive period provided for in Article 1146 of the New Civil Code.

"Article 291 of the Labor Code however, is applicable insofar as private respondent Grace Millena is concerned. Nevertheless, the claim for underpayment of wages, non-payment of overtime pay, holiday pay should still subsist. It should be noted that private respondent Grace Millena filed her claim for underpayment of wages, non-payment of overtime pay and holiday pay, one (1) year, one (1) month and twenty one (21) days after the last effectivity of her employment on May 31, 1994, which is well within the three (3) year prescriptive period provided for in Article 291 of the Labor Code.

x x x

"THE FOREGOING CONSIDERED, the contested Resolution dated February 27, 1997, is affirmed; and the Petition for Certiorari is hereby dismissed.