

## SECOND DIVISION

[ G.R. No. 184007, February 16, 2011 ]

**PAQUITO V. ANDO, PETITIONER, VS. ANDRESITO Y. CAMPO, ET AL., RESPONDENTS.**

### DECISION

**NACHURA, J.:**

Before this Court is a Petition for Review on *Certiorari*<sup>[1]</sup> under Rule 45 of the Rules of Court. Petitioner Paquito V. Ando (petitioner) is assailing the Decision<sup>[2]</sup> dated February 21, 2008 and the Resolution<sup>[3]</sup> dated July 25, 2008 of the Court of Appeals (CA) in CA-G.R. CEB-SP. No. 02370.

Petitioner was the president of Premier Allied and Contracting Services, Inc. (PACSI), an independent labor contractor. Respondents were hired by PACSI as pilers or haulers tasked to manually carry bags of sugar from the warehouse of Victorias Milling Company and load them on trucks.<sup>[4]</sup> In June 1998, respondents were dismissed from employment. They filed a case for illegal dismissal and some money claims with the National Labor Relations Commission (NLRC), Regional Arbitration Branch No. VI, Bacolod City.<sup>[5]</sup>

On June 14, 2001, Labor Arbiter Phibun D. Pura (Labor Arbiter) promulgated a decision, ruling in respondents' favor.<sup>[6]</sup> PACSI and petitioner were directed to pay a total of P422,702.28, representing respondents' separation pay and the award of attorney's fees.<sup>[7]</sup>

Petitioner and PACSI appealed to the NLRC. In a decision<sup>[8]</sup> dated October 20, 2004, the NLRC ruled that petitioner failed to perfect his appeal because he did not pay the supersedeas bond. It also affirmed the Labor Arbiter's decision with modification of the award for separation pay to four other employees who were similarly situated. Upon finality of the decision, respondents moved for its execution.<sup>[9]</sup>

To answer for the monetary award, NLRC Acting Sheriff Romeo Pasustento issued a Notice of Sale on Execution of Personal Property<sup>[10]</sup> over the property covered by Transfer Certificate of Title (TCT) No. T-140167 in the name of "Paquito V. Ando x x married to Erlinda S. Ando."

This prompted petitioner to file an action for prohibition and damages with prayer for the issuance of a temporary restraining order (TRO) before the Regional Trial Court (RTC), Branch 50, Bacolod City. Petitioner claimed that the property belonged to him and his wife, not to the corporation, and, hence, could not be subject of the execution sale. Since it is the corporation that was the judgment debtor, execution should be made on the latter's properties.<sup>[11]</sup>

On December 27, 2006, the RTC issued an Order<sup>[12]</sup> denying the prayer for a TRO, holding that the trial court had no jurisdiction to try and decide the case. The RTC ruled that, pursuant to the *NLRC Manual on the Execution of Judgment*, petitioner's remedy was to file a third-party claim with the NLRC Sheriff. Despite lack of jurisdiction, however, the RTC went on to decide the merits of the case.

Petitioner did not file a motion for reconsideration of the RTC Order. Instead, he filed a petition for *certiorari* under Rule 65<sup>[13]</sup> before the CA. He contended that the RTC acted without or in excess of jurisdiction or with grave abuse of discretion amounting to lack or excess of jurisdiction in issuing the Order. Petitioner argued that the writ of execution was issued improvidently or without authority since the property to be levied belonged to him - in his personal capacity - and his wife. The RTC, respondent contended, could stay the execution of a judgment if the same was unjust.<sup>[14]</sup> He also contended that, pursuant to a ruling of this Court, a third party who is not a judgment creditor may choose between filing a third-party claim with the NLRC sheriff or filing a separate action with the courts.<sup>[15]</sup>

In the Decision now assailed before this Court, the CA affirmed the RTC Order in so far as it dismissed the complaint on the ground that it had no jurisdiction over the case, and nullified all other pronouncements in the same Order. Petitioner moved for reconsideration, but the motion was denied.

Petitioner then filed the present petition seeking the nullification of the CA Decision. He argues that he was never sued in his personal capacity, but in his representative capacity as president of PACSI. Neither was there any indication in the body of the Decision that he was solidarily liable with the corporation.<sup>[16]</sup> He also concedes that the Labor Arbiter's decision has become final. Hence, he is not seeking to stop the execution of the judgment against the properties of PACSI. He also avers, however, that there is no evidence that the sheriff ever implemented the writ of execution against the properties of PACSI.<sup>[17]</sup>

Petitioner also raises anew his argument that he can choose between filing a third-party claim with the sheriff of the NLRC or filing a separate action.<sup>[18]</sup> He maintains that this special civil action is purely civil in nature since it "involves the manner in which the writ of execution in a labor case will be implemented against the property of petitioner which is not a corporate property of PACSI."<sup>[19]</sup> What he is seeking to be restrained, petitioner maintains, is not the Decision itself but the manner of its execution.<sup>[20]</sup> Further, he claims that the property levied has been constituted as a family home within the contemplation of the Family Code.<sup>[21]</sup>

The petition is meritorious.

Initially, we must state that the CA did not, in fact, err in upholding the RTC's lack of jurisdiction to restrain the implementation of the writ of execution issued by the Labor Arbiter.

The Court has long recognized that regular courts have no jurisdiction to hear and decide questions which arise from and are incidental to the enforcement of decisions, orders, or awards rendered in labor cases by appropriate officers and

tribunals of the Department of Labor and Employment. To hold otherwise is to sanction splitting of jurisdiction which is obnoxious to the orderly administration of justice.<sup>[22]</sup>

Thus, it is, first and foremost, the *NLRC Manual on the Execution of Judgment* that governs any question on the execution of a judgment of that body. Petitioner need not look further than that. The Rules of Court apply only by analogy or in a suppletory character.<sup>[23]</sup>

Consider the provision in Section 16, Rule 39 of the Rules of Court on third-party claims:

SEC. 16. *Proceedings where property claimed by third person.*--If the property levied on is claimed by any person other than the judgment obligor or his agent, and such person makes an affidavit of his title thereto or right to the possession thereof, stating the grounds of such right or title, and serves the same upon the officer making the levy and a copy thereof upon the judgment obligee, the officer shall not be bound to keep the property, unless such judgment obligee, on demand of the officer, files a bond approved by the court to indemnify the third-party claimant in a sum not less than the value of the property levied on. In case of disagreement as to such value, the same shall be determined by the court issuing the writ of execution. No claim for damages for the taking or keeping of the property may be enforced against the bond unless the action therefor is filed within one hundred twenty (120) days from the date of the filing of the bond.

The officer shall not be liable for damages for the taking or keeping of the property, to any third-party claimant if such bond is filed. Nothing herein contained shall prevent such claimant or any third person from vindicating his claim to the property in a separate action, or prevent the judgment obligee from claiming damages in the same or a separate action against a third-party claimant who filed a frivolous or plainly spurious claim.

When the writ of execution is issued in favor of the Republic of the Philippines, or any officer duly representing it, the filing of such bond shall not be required, and in case the sheriff or levying officer is sued for damages as a result of the levy, he shall be represented by the Solicitor General and if held liable therefor, the actual damages adjudged by the court shall be paid by the National Treasurer out of such funds as may be appropriated for the purpose.

On the other hand, the *NLRC Manual on the Execution of Judgment* deals **specifically** with third-party claims in cases brought before that body. It defines a third-party claim as one where a person, not a party to the case, asserts title to or right to the possession of the property levied upon.<sup>[24]</sup> It also sets out the procedure for the filing of a third-party claim, to wit: