

## SECOND DIVISION

[ G.R. No. 167332, February 07, 2011 ]

**FILIPINAS PALMOIL PROCESSING, INC. AND DENNIS T. VILLAREAL, PETITIONERS, VS. JOEL P. DEJAPA, REPRESENTED BY HIS ATTORNEY-IN-FACT MYRNA MANZANO, RESPONDENT.**

### DECISION

**PERALTA, J.:**

Assailed in this petition for review on *certiorari* are the Resolutions dated December 10, 2004<sup>[1]</sup> and February 17, 2005<sup>[2]</sup> issued by the Court of Appeals (CA) in CA-G.R. SP No. 60562.

The antecedent facts are as follows:

On May 27, 1997, respondent Joey Dejapa filed a Complaint for illegal dismissal and money claims against petitioner Asian Plantation Phils., Inc. (formerly Veg. Oil Phils. Inc.), now Filipinas Palmoil Processing, Inc., Dennis T. Villareal and Tom Madula.

On July 14, 1999, the Labor Arbiter (LA) dismissed respondent's complaint for lack of merit.

Respondent filed his appeal with the National Labor Relations Commission (NLRC) which, in a Decision dated December 29, 1999, affirmed the LA decision. Respondent's motion for reconsideration was denied in a Resolution dated April 28, 2000.

Aggrieved, respondent filed with the CA a petition for *certiorari*. Petitioners filed their Comment thereto.

On August 29, 2002, the CA reversed and set aside the NLRC decision and resolution. The decretal portion of the decision states:

WHEREFORE, premises considered, the assailed Decision dated December 29, 1999, as well as the Resolution dated April 28, 2000 in NLRC NCR CASE No. 0005-03748-97 (NLRC NCR CA No. 016505-98) are hereby REVERSED and SET ASIDE.

Petitioner (herein respondent) is ordered REINSTATED without loss of seniority rights with payment of backwages, including his salary differentials, overtime pay, 13<sup>th</sup> month pay, service incentive leave pay and other benefits from the time his salary was withheld, or from December 1, 1997 until actual reinstatement. However, if reinstatement is no longer feasible, private respondent company is ordered to pay

separation pay equivalent to one (1) month for every year of service where a fraction of six (6) months shall be considered as one whole year. Private respondent company is likewise ordered to pay P10,000.00 as moral damages and P10,000.00 as exemplary damages. In addition, private respondent company is ordered to pay attorney's fees in the amount equivalent to 10% of the total monetary award.

SO ORDERED.<sup>[3]</sup>

The CA found that petitioner company was respondent's employer and that Tom Madula was not really an independent contractor, but petitioner company's Operations Manager. It ruled that respondent was illegally dismissed by petitioner company. We quote the pertinent portions of the Decision, thus:

It must be borne in mind that private respondent company's claim is principally anchored on the assertion that petitioner was not its employee but that of private respondent Madula who is allegedly an independent contractor.<sup>[4]</sup>

x x x x

In this petition, there is no showing that private respondent Madula is an independent contractor. We reiterate that private respondent company failed to show any evidence to support such claim.

Hence, it is fair to conclude that private respondent Madula is an employee of private respondent company. He is the operations manager of private respondent company. This fact was not refuted by either private respondent Madula or private respondent company."<sup>[5]</sup>

x x x x

In fine, it is evident that private respondent Madula is indeed an employee of private respondent company. As its operations manager, he is deemed an agent of private respondent company.<sup>[6]</sup>

Petitioners' motion for reconsideration was denied in a Resolution<sup>[7]</sup> dated July 14, 2003.

Petitioners filed with Us a petition for review on *certiorari*, docketed as G.R. No. 159142, which We denied in a Resolution<sup>[8]</sup> dated October 1, 2003 for petitioners' failure to take the appeal within the reglementary period. Petitioners' motion for reconsideration was denied in a Resolution<sup>[9]</sup> dated January 21, 2004; thus, the decision became final and executory on February 27, 2004, and an entry of judgment was subsequently made.

Respondent, through his representative, filed with the LA a Motion for Execution and Computation of the Award. The LA issued a Writ of Execution<sup>[10]</sup> dated July 12,

2004 for the implementation of the CA Decision dated August 29, 2002. Pursuant to the said writ of execution, petitioners' deposit in the United Coconut Planters Bank (UCPB) in the amount of P736,910.10 was garnished.

On July 21, 2004, petitioners filed a Motion to Quash Writ of Execution<sup>[11]</sup> on the ground that it can be held liable only insofar as the reinstatement aspect and/or the monetary award were concerned, pursuant to the CA Decision dated August 29, 2002, but not to backwages. Respondent filed his Comment/Opposition thereto.

On August 6, 2004, respondent filed an *Ex-Parte* Motion for Order of Release praying for the immediate release of the garnished amount in the UCPB.

On September 14, 2004, the LA issued its Order<sup>[12]</sup> partially granting petitioners' Motion to Quash Writ of Execution, the decretal portion of which reads:

WHEREFORE, the Motion to Quash Writ of Execution filed by Asian Plantation is partially granted in so far as the liability for backwages and reinstatement is concerned such that the same is adjudged against respondent Tom Madula. The respondents are solidarily liable to the rest of the award, except damages, which are for the sole account of respondent company. The garnished account of Filipinas Palm Oil Processing, Inc. with United Coconut Planters Bank is hereby ordered released to the extent of TWO HUNDRED SIXTY-SIX THOUSAND SEVEN HUNDRED FIFTY-SEVEN & 85/100 PESOS (P266,757.85).

SO ORDERED.<sup>[13]</sup>

Dissatisfied, both parties filed their respective appeals with the NLRC.

On October 19, 2004, respondent then filed before the CA a Very Urgent Motion for Clarification of Judgment, praying that the CA Decision dated August 29, 2002 be clarified to the effect that petitioner be made solely liable to the judgment award and, as a consequence thereof, to order the NLRC and the LA to implement the same and to direct the UCPB to release the garnished amount of P736,910.10 to the NLRC Sheriff and for the latter to deposit the same to the NLRC cashier for further disposition.

On December 10, 2004, the CA rendered the assailed Resolution granting respondent's motion for clarificatory judgment, the pertinent portion of which provides:

Obviously, the confusion was brought about by the September 14, 2004 Order of Labor Arbiter Savari. It is immediately apparent that the order is devoid of any legal basis since the ground relied upon by private respondent Filipinas Palmoil (Asian Plantation) is not among those grounds upon which a writ of execution may be quashed. As jurisprudentially settled, quashal of the writ of execution was held to be proper in the following instances: (a) when it was improvidently issued, (b) when it is defective in substance, (c) when it is issued against the

wrong party, (d) where the judgment was already satisfied, (e) when it was issued without authority, (f) when a change in the situation of the parties renders execution inequitable, and (g) when the controversy was never validly submitted to the court, The ground invoked by private respondent Filipinas Palmoil (Asian Plantation) to quash the writ of execution is patently improper as it actually sought to vary the final judgment of this Court. Despite this, Labor Arbiter Savari "partially granted" the motion to quash. Worst, Labor Arbiter Savari even went to the extent of making her own findings of fact and ruling on the merits, and came out with an entirely new disposition different from that decreed by this Court in the August 29, 2002 decision. Such action on the part of Labor Arbiter Savari betrays sheer ignorance of settled precepts, and amounts to a clear encroachment and interference on the final judgment of this Court.

Ordinarily, the recourse against such an order of the Labor Arbiter is to challenge the same on appeal or via the extraordinary remedies of *certiorari*, prohibition or mandamus. However, requiring petitioner to undergo such litigious process once again would not be in keeping with the protection to labor mandate of the Constitution. Thus, in order to write *finis* to this controversy, which has tarried for some time now, and in order to forestall the offshoot of another prolonged litigation, this Court, in the exercise of equity jurisdiction, hereby grants petitioner's motion for clarification. It is, of course, stressed that the Court is not amending its August 29, 2002 decision or rectifying a perceived error therein. With this clarification, this Court only states the obvious by explicitly articulating what should have been necessarily implied by the application of basic principles under our labor law. [14]

Thus, the dispositive portion of the assailed CA Resolution reads:

WHEREFORE, in view of the foregoing, in accordance with petitioner's supplications, this Court renders, *nunc pro tunc*, the following clarification to the decretal portion of this Court's August 29, 2002 decision.

WHEREFORE, premises considered, the assailed Decision dated December 29, 1999 as well as the Resolution dated April 28, 2000 in NLRC NCR CASE NO. 0005-03748-97 (NLRC NCR CA NO. 016505-98) are hereby REVERSED and SET ASIDE.

Private respondent Filipinas Palmoil Processing Inc. (Asian Plantation Phils., Inc.) is hereby ordered to REINSTATE petitioner Joey Dejapa without loss of seniority rights and to pay him his backwages including his salary differentials, overtime pay, 13<sup>th</sup> month pay, service incentive leave pay and other benefits from the time his salary was withheld or from December 1, 1997 until actual reinstatement. If reinstatement is no longer feasible, private respondent Filipinas Palmoil