

## **SECOND DIVISION**

**[ G.R. NO. 147593, July 31, 2006 ]**

**GERONIMO Q. QUADRA, PETITIONER, VS. THE COURT OF APPEALS AND THE PHILIPPINE CHARITY SWEEPSTAKES OFFICE, RESPONDENTS.**

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

**PUNO, J.:**

This is a petition for review of the decision of the Court of Appeals in CA-G.R. SP No. 55634 dated December 29, 2000 and its resolution dated March 26, 2001. The Court of Appeals reversed and set aside the decision of the National Labor Relations Commission (NLRC) in NLRC NCR Case No. 4312-ULP which affirmed the decision of the Labor Arbiter granting moral and exemplary damages to petitioner Geronimo Q. Quadra in connection with his dismissal from the service.

Petitioner Geronimo Q. Quadra was the Chief Legal Officer of respondent Philippine Charity Sweepstakes Office (PCSO) when he organized and actively participated in the activities of Philippine Charity Sweepstakes Employees Association (CUGCO), an organization composed of the rank and file employees of PCSO, and then later, the Association of Sweepstakes Staff Personnel and Supervisors (CUGCO) (ASSPS [CUGCO]). In April 1964, he was administratively charged before the Civil Service Commission with violation of Civil Service Law and Rules for neglect of duty and misconduct and/or conduct prejudicial to the interest of the service. On July 14, 1965, the Civil Service Commission rendered a decision finding petitioner guilty of the charges and recommending the penalty of dismissal. The following day, on July 15, 1965, the General Manager of PCSO, Ignacio Santos Diaz, sent petitioner a letter of dismissal, in accordance with the decision of the Civil Service Commission. Petitioner filed a motion for reconsideration of the decision of the Civil Service Commission on August 10, 1965. At the same time, petitioner, together with ASSPS (CUGCO), filed with the Court of Industrial Relations (CIR) a complaint for unfair labor practice against respondent PCSO and its officers. The case was docketed as Case No. 4312-ULP.

On November 19, 1966, the CIR issued its decision finding respondent PCSO guilty of unfair labor practice for having committed discrimination against the union and for having dismissed petitioner due to his union activities. It ordered the reinstatement of petitioner to his former position with full backwages and with all the rights and privileges pertaining to said position.<sup>[1]</sup>

Respondent PCSO complied with the decision of the CIR. But while it reinstated petitioner to his former position and paid his backwages, it also filed with the Supreme Court a petition for review on certiorari entitled "Philippine Charity Sweepstakes Office, et al. v. The Association of Sweepstakes Staff Personnel, et al." assailing the decision of the CIR in Case No. 4312-ULP. The petition was docketed as

On March 16, 1967, during the pendency of the case in the Supreme Court, petitioner filed with the CIR a "Petition for Damages." He prayed for moral and exemplary damages in connection with Case No. 4312-ULP. He cited the decision of the Supreme Court in **Rheem of the Philippines, Inc., et al. v. Ferrer, et al.**<sup>[3]</sup> where it upheld the jurisdiction of the CIR over claims for damages incidental to an employee's dismissal.

Respondent PCSO moved to dismiss the petition for damages on the following grounds: (1) the CIR has no jurisdiction to award moral and exemplary damages; (2) the cause of action is barred by prior judgment, it appearing that two complaints are brought for different parts of a single cause of action; and (3) the petition states no valid cause of action.

Petitioner resigned from PCSO on August 18, 1967.

The petition for damages and the motion to dismiss, however, remained pending with the CIR until it was abolished and the NLRC was created. On April 25, 1980, the Labor Arbiter rendered a decision awarding moral and exemplary damages to petitioner in the amount of P1.6 million. The dispositive portion of the decision stated:

WHEREFORE, in view of all the foregoing considerations, judgment is hereby rendered awarding to complainant Geronimo Q. Quadra moral damages consisting of the following sum: Three Hundred Fifty Thousand Pesos (P350,000.00) for besmirched reputation; Three Hundred Fifty Thousand Pesos (P350,000.00) for social humiliation; One Hundred Thousand Pesos (P100,000.00) for mental anguish; One Hundred Thousand Pesos (P100,000.00) for serious anxiety; One Hundred Thousand Pesos (P100,000.00) for wounded feelings; One Hundred Thousand Pesos (P100,000.00) for moral shock; and the further sum of P500,000.00 as exemplary damages, on account of the arbitrary and unlawful dismissal effected by respondents. Consequently, respondents are therefore ordered to pay complainant Quadra the total sum of One Million Six Hundred Thousand Pesos (P1,600,000.00) within ten (10) days after this Decision becomes final.

SO ORDERED.<sup>[4]</sup>

The NLRC affirmed the decision of the Labor Arbiter,<sup>[5]</sup> prompting respondent PCSO to file a petition for certiorari with the Court of Appeals.

The Court of Appeals reversed the decision of the NLRC. It held that there was no basis for the grant of moral and exemplary damages to petitioner as his dismissal was not tainted with bad faith. It was the Civil Service Commission that recommended petitioner's dismissal after conducting an investigation. It also held that the petition claiming moral and exemplary damages filed by petitioner after respondent PCSO had complied with the CIR decision of reinstatement and backwages amounted to splitting of cause of action.<sup>[6]</sup>