358 Phil. 397

FIRST DIVISION

[G.R. No. 132257, October 12, 1998]

AMADO DE GUZMAN AND MANILA WORKERS UNION AND GENERAL WORKERS UNION (MALEGWU), PETITIONERS, VS. COURT OF APPEALS AND NASIPIT LUMBER COMPANY, RESPONDENTS.

D E C I S I O N

PANGANIBAN, J.:

All money claims arising from an employer-employee relation are covered by the three-year prescriptive period mandated by Article 291 of the Labor Code, and not by Article 1144 of the Civil Code which provides for a ten-year prescriptive period for written agreements. Thus, Article 291 of the Labor Code applies to petitioners' money claim, which is based on a provision of the Collective Bargaining Agreement (CBA) on retirement and separation benefits and is a consequence of employer-employee relation. Moreover, voluntary arbitrators have original and exclusive jurisdiction to hear and decide grievances arising from the implementation of a CBA. Hence, the filing of a CBA-related complaint before the labor arbiter or the NLRC does not interrupt the three-year prescriptive period.

Statement of the Case

These principles are used by this Court in denying the petition for review on certiorari before us, assailing the July 4, 1997 Decision[1] of the Court of Appeals[2] in CA-GR SP No. 42952, which reversed the voluntary arbitrator's Decision[3] in this wise:

> "We have no option but to reverse the ruling of the Voluntary Arbitrator. Respondents' claim already prescribed.
>
> "THE FOREGOING CONSIDERED, judgment is hereby rendered, declaring as null and void the July 16, 1996 contested Decision, but only insofar as it concerns the optional retirement plan of the respondents Samuel Escalanda and Amado de Guzman; and the separation assistance grant, both under the CBA, with respect to Jose Espiritu, Jr., Dominador Quilloy and Forferio Higuit."[4]

The Facts

The Court of Appeals (CA) summarized the undisputed facts as follows:[5]

> "The [private respondent], on April 16, 1992, because of serious business reverses, undertook a partial suspension of operation resulting in the forced leave for six (6) months of fifteen (15) rank-and-file employees,

including Escalanda, de Guzman, Espiritu, Jr., Quilloy, Higuit, Tangca, Dizon, Torralba, Hernandez, Labay, Almazar, Cunanan, Bonachita, Bulawan and Penomeno.

"On April 4, 1992 and April 7, 1992, Annexes C and D, respectively, the [Petitioner] Union, in two (2) letters, treated the forced leave as a "grievance" supposedly because of violation of the CBA (Collective Bargaining Agreement) with respect to optional retirement and separation pay grant.

"There was instituted before the NLRC on June 2, 1992, a case for illegal forced leave xxx (NLRC Case NO. 00-06-03067-92, Manila Lumber Employees and General Workers Union, Escalanda, et. al. vs. Nasipit Lumber Company, et. al.).

"The [private respondent] sought dismissal of the case for the reason that the Voluntary Arbitrator, not the Labor Arbiter, has the original and exclusive jurisdiction to hear and decide all grievances arising from the interpretation of the Collective Bargaining Agreement, as provided for in Article 261, Labor Code. This was however denied by the Labor Arbiter.

"On January 11, 1993, the Supreme Court (G.R. No. 106933) 'dismissed the petition' (Petition for Certiorari) under Rule 65 of the Rules of Court.

"There was another case instituted by the [petitioners] on December 7, 1992 before the NLRC (Case No. 00-12-06862-92) for illegal dismissal or in the alternative, the payment of CBA benefits

"There was a judgment by the Labor Arbiter, on November 9, 1994, dismissing the case but directing it [private respondent] to pay the individual [petitioners] the amount of P206,959.19, representing retrenchment benefits.

"In the appeal by the [petitioners], they questioned why the Decision of the Labor Arbiter did not touch on the retirement benefits under the CBA, even if the CBA benefits were being raised repeatedly as one of the causes of action.

"There was a dismissal of the appeal by the NLRC on March 31, 1995, but with respect to the CBA benefits, it ruled (Rollo, p. 13):

'Another error imputed to the Labor Arbiter has to do with his not applying the CBA concerning retirement benefits.

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'Having ruled that the retrenchment of the complainants was for valid cause, we focus Our attention to complainants' contention relative to their alternative prayer that they be awarded 90 days' pay for every year of service as what is provided for in Section 12, Article V of the Collective Bargaining Agreement.

'Mention must be made that at the time of the retrenchment, the benefits applicable to an employee who was then eligible for retirement was 75 days pay plus 15 days pay for every year of service.

'As correctly pointed out by the [private respondent] in their Opposition to Appeal, to wit:

'For the information of the Honorable Commission, the interpretation of Section 12, Article V of the CBA, in the case of Mr. Sergio M. Torralba, the person who verified the appeal, has been submitted to voluntary arbitration. In a Decision rendered by Honorable Voluntary Arbitrator Ramon T. Jimenez on October 12, 1993, he sustained the position of the company that a retiring employee be paid 75 days lump sum payment and 15 days pay for every year of service, a copy of which is hereto attached as annex B. Said judgment was elevated to the Supreme Court by way of a petition for certiorari but was dismissed by the Supreme Court in its Resolution dated June 20, 1994, a copy of which is hereto attached as annex C. The Supreme Court in its Resolution dated August 17, 1994 denied reconsideration of its earlier resolution, a copy of which is hereto attached as Annex D.

x x x'

'All told, We find no merit in the complainant's appeal. Hence, We affirm.'

"The November 9, 1994 Decision of the Labor Arbiter and the NLRC Decision dated March 31, 1995, are now final and executory, a Motion for Reconsideration not having been filed.

"[This] case was eventually referred to the Voluntary Arbitrator, at the instance of the [petitioners]. On July 16, 1996, a judgment was rendered (Ibid, p. 14), thus:

'WHEREFORE, premises considered, this office finds SAMUEL ESCALANDA and AMADO DE GUZMAN, entitled to the OPTIONAL RETIREMENT PLAN, and JOSE ESPIRITU, JR., DOMINADOR QUILLOY and PORFERIO HIGUIT entitled to SEPARATION ASSISTANCE GRANT under the CBA in addition to the separation/retrenchment pay already paid to them by virtue of the final judgment of the NLRC in 1995. The basis for computation of the benefits would be seventy five (75) days lump sum plus fifteen (15) days for every year of service for OPTIONAL RETIREMENT, and fifty two (52) days lump sum pay plus fifteen days pay for every year of service for SEPARATION PAY GRANT.'

"On December 2, 1996, [private respondent's] Motion for Reconsideration was denied.

Hence, private respondent elevated the matter to the Court of Appeals.

Public Respondent's Ruling

In reversing the Decision of the voluntary arbitrator, the Court of Appeals ruled as

follows:[6]

"xxx Under Article 261, Labor Code, the Voluntary Arbitrator has original and exclusive jurisdiction to decide all grievances arising from either the interpretation or implementation of the Collective Bargaining Agreement; violations of the CBA shall no longer be treated as an unfair labor practice but instead should be resolved as grievance under the CBA, and the Department of Labor and Employment shall not entertain any matter under the exclusive and original jurisdiction of the Voluntary Arbitrator. That the Voluntary Arbitrator has original and exclusive jurisdiction to hear and decide all grievances arising from the implementation of the CBA, is even obvious under Rule 111 of the Omnibus Rules implementing the Labor Code, x x x.

x x x x x x x x x

"If NLRC had no jurisdiction, then the non applicability of res judicata necessarily follows. The doctrine of conclusiveness of judgment is also called collateral estoppel or preclusion of issues.

"We rule, however, that respondents' cause of action already prescribed. Article 291, Labor Code, provides (Rollo, p. 20):

'The ten-year prescriptive period fixed in Article 1144 of the Civil Code may not be invoked by the petitioners for the Civil Code is a law of general application, while the prescriptive period fixed in Article 292 of the Labor Code (now Art. 291) is a special law applicable to claims arising from employer employee relations (De Joya vs. Lantin, 19 SCRA 893, Lagman vs. City of Manila, 17 SCRA 579, Philippine Trust Co. vs. Macuan, 54 Phil. 655.)'

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'ART. 291 Money Claims. -- All money claims arising from employer-employee relations accruing during the effectivity of this Code shall be filed within three (3) years from the time the cause of action accrued; otherwise they are barred forever.'

"The pretension was that because there is no provision of law on prescription involving claims or the interpretation of the CBA, the provisions of Article 1144, Civil Code, should apply (prescription of ten (10) years if the action is based upon a written contract) and that the CBA being a written contract, the filing of the claim and the decision of the Voluntary Arbitrator in May, 1996, was within the ten-year period counted from the time the cause of action accrued on November 16, 1992, when the complaints were dismissed. This cannot be accepted by us.

"We rule, the prescriptive period is only three (3) years and here, there is already prescription."