

TWELFTH DIVISION

[CA-G.R. SP No. 132026, January 14, 2015]

ADORA RETAIL PHILIPPINES, INC., PETITIONER, VS. HON. JOSE G. PANEDA, IN HIS CAPACITY AS PRESIDING JUDGE, RTC BRANCH 220, QUEZON CITY AND JANELLE D. PIMENTEL, RESPONDENTS.

DECISION

GALAPATE-LAGUILLES, J:

The jurisdiction of labor arbiters and the NLRC under Article 217 of the Labor Code is limited to disputes arising from an employer-employee relationship which can only be resolved by reference to the Labor Code, other labor statutes, or their collective bargaining agreement.^[1]

The pivotal question in this Petition for *Certiorari*^[2] is whether the Labor Code has any relevance to the relief sought by Janelle D. Pimentel thus giving the labor courts jurisdiction over the matter.

The facts are of record:

In June 2009, while still working in the United States, Janelle D. Pimentel received an electronic mail from Ma. Lourdes Pineda (Ma. Lourdes), owner of Adora Retail Philippines, Inc. (Adora Retail), inquiring about the possibility of Janelle working for the marketing department of Adora Retail.^[3] When Janelle finally decided to apply, she sent an email to Ma. Lourdes expressing her desire to hold a mid-high level management position.^[4]

On July 6, 2009, Adora Retail sent a notice to Janelle informing the latter that she had passed the application process, that she was being hired as Public Relations and Marketing Manager for Adora Retail with a monthly salary of P100,000.00, and that she would start on August 10, 2009.^[5] Janelle accepted the offer, resigned from her job in the United States and started to process her relocation to the Philippines.

Ma. Lourdes later clarified to Janelle that the latter would be subjected to a probationary period and that as delineated by her (Ma. Lourdes's) son, the President/General Manager of Adora Retail Emmanuel T. Pineda, her tasks would be to plan, develop, control, monitor, review, and report; to manage and coordinate would not be part of her job.^[6] Janelle later confirmed from Ma. Lourdes that she would be working on marketing and PR to strategize and develop new marketing/PR initiatives, as well as track Adora Retail's current programs.^[7] Janelle subsequently received an email from Emmanuel stating that Janelle would be assigned certain tasks to assess her capabilities and see if her position would be a fit to the company.

^[8]

Janelle arrived from the US on July 28, 2009. When she had finally established herself here in the Philippines, she relayed to Ma. Lourdes her readiness to start working on August 10, 2009. Ma. Lourdes told her that before she (Janelle) could start, the latter had to first meet with Emmanuel. In the said meeting, Emmanuel told Janelle that she would be the Marketing Consultant for Tyler, Adora Retail, and Stella Luna and would report to Ma. Lourdes.^[9] During the contract signing, however, Janelle was confronted with an employment contract which contained terms and conditions not agreed upon. The contract stated that Janelle would work as PR Consultant for Republic Retailers, Inc. and would report to the PR Manager.^[10] On that account, Janelle did not sign the contract. She demanded an explanation from Ma. Lourdes and Emmanuel^[11] but all they said was that she would still be receiving the agreed salary and that job title was not as important as the work she would do during the three-month probationary period.^[12]

From then on, Janelle heard nothing from the Pinedas. She later sent a demand letter to Adora Retail asking for payment of her relocation costs and lost income amounting to \$25,008.00.^[13] In response, Adora Retail denied the request stating that no contract of employment was consummated between it and Janelle.^[14]

Disgruntled, Janelle filed a Complaint^[15] for Damages with the Regional Trial Court of Quezon City. The case was docketed as Civil Case No. Q-10-67412. She prayed that Adora Retail, Ma. Lourdes, and Emmanuel (defendants) be ordered to pay her relocation costs and lost income.^[16] She further asked the defendants to pay exemplary and moral damages, attorney fees and other costs of suit.^[17]

In their Answer,^[18] the defendants argued that Janelle's allegation that she had already been hired was a product of the latter's imagination. There was as yet no contract to speak of as their offer had not yet acquired any degree of certainty. It was, at best, exploratory and inchoate; therefore, Janelle had no basis to claim that she suffered damages on account of their supposed attempt to change the terms and conditions of employment that were allegedly agreed upon. Defendants prayed that the complaint be dismissed for lack of cause of action.

Trial then ensued. After Janelle formally offered her evidence, defendants filed a Motion to Dismiss^[19] the case on the ground of the trial court's lack of jurisdiction over the subject matter of the claim. Defendants contended that Janelle's cause of action was a "labor dispute" falling within the exclusive original jurisdiction of the labor arbiter.

In an Order^[20] dated February 8, 2013, the trial court denied the Motion to Dismiss ratiocinating that there was no employer-employee relationship between Janelle and the defendants because one of the elements for employer-employee relationship, which is payment of wages, was lacking; thus, the labor courts have no jurisdiction on the matter.

Dissatisfied, the defendants moved^[21] to reconsider the trial court's decision. They argued that contrary to the ruling of the court *a quo*, an employment relationship existed between them and Janelle, and there being an employment relationship,

Janelle's cause of action properly falls within the jurisdiction of the labor courts and not the regular courts.

The motion was denied;^[22] hence, this Petition for *Certiorari*^[23] ascribing grave abuse of discretion on the part of the trial court in failing to consider the allegations in the complaint and the pieces of evidence presented which clearly show that Janelle's complaint falls within the original jurisdiction of the labor arbiter.

The petition is unmeritorious.

An employment contract, like any other contract, is perfected at the moment (1) the parties come to agree upon its terms; and (2) concur in the essential elements thereof: (a) consent of the contracting parties, (b) object certain which is the subject matter of the contract, and (c) cause of the obligation.^[24] However, a distinction must be made between the

perfection of the employment contract and the commencement of the employer-employee relationship. In *Santiago v. CF Sharp Crew Management, Inc.*,^[25] the Supreme Court ruled that the employer-employee relationship did not commence because there was no actual deployment.

In this case, the employment contract was perfected when Janelle accepted defendants' offer to work as Public Relations and Marketing Manager for Adora Retail with a salary of P100,000.00 a month. However, the employer-employee relationship did not commence since Janelle did not actually start working for the defendants. There being no employment relationship, the case properly falls within the jurisdiction of the regular courts.

Even assuming that there existed an employment relationship between the parties, there is still the question of whether there is a "reasonable causal connection" between the claim asserted and employee-employer relation. Absent such a link, the complaint will not be cognizable by the labor arbiter but by the regular courts of justice.^[26]

The rule is that, the nature of an action and the subject matter thereof, as well as, which court or agency of the government has jurisdiction over the same, are determined by the material allegations of the complaint in relation to the law involved and the character of the reliefs prayed for, whether or not the complainant/plaintiff is entitled to any or all of such reliefs. A prayer or demand for relief is not part of the petition of the cause of action; nor does it enlarge the cause of action stated or change the legal effect of what is alleged. In determining which body has jurisdiction over a case, the better policy is to consider not only the status or relationship of the parties but also the nature of the action that is the subject of their controversy.^[27]

Article 217 of the Labor Code, as amended, vests on the Labor Arbiter exclusive original jurisdiction only over the following:

- (a) Except as otherwise provided under this Code, the Labor Arbiters shall have original and exclusive jurisdiction to hear and decide, within thirty (30) calendar days after the submission of the case by the parties