

are in imminent danger of being lost or removed unless a Receiver is appointed to take charge of and preserve the same, GERUNDIO DIASNES, of Dumangas, Iloilo, is hereby appointed as RECEIVER of the property in litigation as well as the products thereof, and upon putting up a bond of SIX THOUSAND PESOS (P6,000.00), approved by this Court, the said RECEIVER may qualify and assume his duties as such."

Defendants moved for the reconsideration of the above order, claiming that the lct in question is in *custodia legis* in Special Proceedings No. 815 and can not, therefore, be the subject of a receivership in this case; that while it is true that said lot had been assigned to plaintiff in the project of partition in said proceedings, the probate court, in approving said partition, withheld the order of distribution and the closing of the estate "pending the submission by the administration and the heirs of the written conformity of the creditors, namely, the RFC and the PNB to such distribution and eventual assumption by the heirs of the liabilities of the estate"; and finally, that it does not appear from the complaint that plaintiff has such interest in the property in litigation and its produce, and that such property is in danger of being lost, removed, or materially injured, as to justify the appointment of a receiver. This motion having been denied, defendants filed the present petition for certiorari reiterating substantially their arguments in their motion for reconsideration in the court below, and urging that the order appointing a receiver was issued in grave abuse of discretion and in excess of jurisdiction by the court a quo. Upon petitioners' filing of a bond in the amount of P2,000.00, we issued a writ of preliminary injunction to restrain the lower court from enforcing the order complained of.

We see no sufficient cause or reason in the instant case to justify placing the land in question in receivership. While it does appear from the pleadings in the court below that title or ownership over said land is with plaintiff by virtue of the order of partition in Special Proceedings No. 815 adjudicating said property to him, it likewise appears, however, that petitioners are in the material possession thereof, not under any claim of title or ownership, but pursuant to a lease contract signed with them by plaintiff's daughter, Rosario Evangelista, the former administrator or agent of plaintiff over said property. In fact, plaintiff admitted in his answer to the present petition that he did "let his daughter manage the said property" (par. 1 of Affirmative and Special Defenses, Answer, p. 2). Until, therefore, the lease agreement signed between Rosario Evangelista, as agent of plaintiff, and defendants is judicially declared void for want of authority of the agent to execute the same, defendants are entitled to continue in the possession of the premises in question, unless powerful reasons exist for the lower court to deprive them of such possession and appoint a receiver over said property. These powerful reasons are wanting in this case. Indeed, there is even no showing here that the property in question and its pending harvest are in danger of being lost, or that defendants are committing acts of waste thereon or that defendants are insolvent and cannot repair any damage they cause to plaintiff's rights. In truth, the complaint alleges no interest on the part of the plaintiff in the crops subjected to receivership.

Upon the other hand, defendants occupied and planted the land in question in good faith as lessees, and it is only just and equitable that they be allowed to continue in their possession and harvest the fruits of their labor (subject to their obligation to pay their lessor his due share in the harvest) until the respective rights of the parties in this case to the possession of the land in question are finally resolved and adjudicated. This Court has repeatedly ruled that where the effect of the appointment of a receiver is to take real estate out of the possession of the defendants before the final adjudication of the rights of the parties, the appointment should be made only in extreme cases and on a clear showing of necessity therefore in order to save the plaintiff from grave and

irremediable loss of damage (*Mendoza v. Arellano*, 36 Phil. 59; *De la Cruz v. Guinto*, G.R. No. L-1315, Sept. 25, 1947; *Calo and San Jose v. Roldan*, 76 Phil. 455; *Municipality of Camiling v. De Aquino*, G.R. No. L-11476, Feb. 28, 1958; *De los Reyes v. Bayona*, G.R. No. L-13832, March 29, 1960).

Moreover, the trial court seems to have overlooked that as has often been held, "the power to appoint a receiver is a delicate one; that said power should be exercised with extreme caution and only when the circumstances so demand, either because there is imminent danger that the property sought to be placed in the hands of a receiver be lost or because they run the risk of being impaired, endeavoring to avoid that the injury thereby caused be greater than the one sought to be averted. For this reason, before the remedy is granted, the consequences or effects thereof should be considered or, at least, estimated in order to avoid causing irreparable injustice or injury to others who are entitled to as much consideration as those seeking it", (*Velasco & Co. v. Gochico & Co.*, 28 Phil. 39; *Claudio, et al. vs. Zandueta*, 64 Phil. 812; *Calo v. Roldan*, 76 Phil. 454).

WHEREFORE, the orders of November 14, 1959 and December 10, 1959 are set aside, and the writ of preliminary injunction issued by this Court on February 3, 1960 is made permanent. Costs against respondent Daniel Evangelista.

Bengzon, Padilla, Bautista Angelo, Concepcion, Barrera, Gutierrez David, Paredes, and Dizon, JJ., concurred.

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Concordia Cagalawan, Plaintiff-appellant, vs. Customs Canteen, et al., Defendants-appellees, G.R. No. L-16031, October 31, 1961, Paredes, J.

1. COURT OF INDUSTRIAL RELATIONS; JURISDICTION; WHEN IT HAS NO JURISDICTION OVER MONEY CLAIMS.— Under the law and jurisprudence the Court of Industrial Relations' jurisdiction extends only to cases involving (a) labor disputes affecting an industry which is indispensable to the national interest and is so certified by the President to the Court (Sec. 19, Rep. Act No. 875); (b) controversy about the minimum wage, under the Minimum Wage Law, Rep. Act No. 602; (c) hours of employment, under the Eight-Hour Labor Law, Comm. Act No. 444 and (d) unfair labor practice (Sec. 5 [a], Rep. Act No. 875). And such disputes, to fall under the jurisdiction of the CIR, must arise while the employer-employee relationship between the parties exists or the employee seeks reinstatement. When such relationship is over and the employee does not seek reinstatement, all claims become money claims that fall under the jurisdiction of the regular courts (*Sy Huan vs. Jude Bautista, et al.*, G.R. No. L-16115, Aug. 29, 1961; and cases cited therein).
2. ID.; ID.; WHEN IT HAS NO POWER TO GRANT REMEDY UNDER ITS POWER OF MEDIATION AND CONCILIATION.— In the absence of unfair labor practice, the CIR has no power to grant remedy under its general powers of mediation and conciliation, such as reinstatement or back wages.
3. ID.; ID.; NO JURISDICTION ON VIOLATION OF SEPARATION PAY LAW; ORDINARY COURT, JURISDICTION OF.— A violation of the law on separation pay (Rep. Act No. 1062, as amended by Rep. Act No. 1787), involves, at most, a breach of an obligation of the employer to his employee or vice versa, to be prosecuted like an ordinary contract or obligation — a breach of a private right which may be redressed by a recourse to the ordinary court.

DECISION

On December 24, 1957, Concordia Cagalawan, filed a claim against the Manager, Customs Canteen (Ramona Pastoral), before the Regional Office No. 8, Department of Labor, Davao City for

Separation Pay, Overtime Pay and underpayment (Case No. LSV-23). The hearing officer held that the claim for overtime pay and underpayment did not lie and dismissed the same for lack of merit, but ordered the payment of separation pay in the sum of P104.00, if she would not be reinstated, and recommended the filing of an action for a violation of section 11(b) and 4(c) of the Women and Child Labor Law. No appeal was taken from this ruling to the Labor Standard Commission.

On January 16, 1958, the same Concordia Cagalawan filed a complaint against the Customs Canteen, Francisco Yu and Ramona Pastoral, before the CFI of Davao (Civil Case No. 2554).

She alleged in her complaint that on February 20, 1957, defendants contracted her to work on the Customs Canteen, as a waitress; that she was receiving a monthly salary of P300.00, much below the minimum required by the Minimum Wage Law (Rep. Act No. 602); that she had rendered overtime work for which she was not paid compensation (Com. Act No. 444); that in June, 1957, she complained with the Police Department of Davao City regarding a quarrel she had with one of the boys in the canteen, which act displeased the manager, defendant Yu who, without cause, compelled her to leave her employment; that she was not formally and actually notified by defendants at least one month in advance that her services was to be terminated, "in gross violation of Republic Act No. 1052, as amended and as such, she is entitled to reinstatement, including back salaries until she is returned to her work"; and that due to the refusal of defendants to pay her claim, despite demands, she was compelled to hire a lawyer to protect her interest for P200.00 and that she suffered moral damages in the sum of P1,000.00. Plaintiff prayed that defendants be ordered: (1) to pay her the amount corresponding to her overtime pay and the differential pay between her actual salary and the minimum provided for by Act No. 602; (2) to pay "her one month separation pay or in the alternative, back salaries and wages until her reinstatement"; and (3) to pay her the sum of P200.00 and P1,000.00 for attorney's fees and moral damages, respectively.

Defendants moved to dismiss the complaint on the grounds that (1) the value of the subject matter sought to be recovered is less than the minimum requirement; and (2) even assuming the value is more than P2,000.00, the Court has no jurisdiction over the action (amended petition to dismiss). It is contended that the subject matter of the complaint being money claim, such as separation pay, overtime pay and underpayment, the regular courts of justice have no original jurisdiction and that the Regional Office No. 8 of Davao City should try and determine such claims, as such office alone has the original and exclusive jurisdiction on all money cases.

The court dismissed the case, without costs, holding that "the claim of the plaintiff here does not fall under the original jurisdiction of the Court of First Instance because the claim is less than P2,000.00" and suggesting that what the plaintiff should have done "was to elevate the case to the Labor Standard Commission and after the final decision in accordance with the Rules and Regulations I, an appeal can be interposed to the Court of First Instance".

The appeal taken from said judgment by the plaintiff to the Court of Appeals, was elevated up to Us, as the same involves the question of jurisdiction.

We recently held: —

"x x x. So that it was not the intention of Congress, in enacting Rep. Act No. 997, to authorize the transfer of powers and jurisdiction granted to courts of justice from these, to the officials to be appointed or officers to be created by the Reorganization Plan. x x x. The Legislature could not have intended to grant such powers to the Reorganization Commission, an executive body, as the Legislature may not and cannot delegate its powers to legislate or create courts of justice to any other agency of the Government. x x x the provision of

Reorganization Plan No. 20-A, particularly Sec. 25, which grants to the regional offices original and exclusive jurisdiction over money claims of laborers, is null and void, said grant having been made without authority by Rep. Act No. 997" (Coramias, Jr., et al. vs. Labor Standard Commission, et al., L-14837; MCU vs. Calupitan, et al., L-15483, Wong vs. Carlin, et al., L-15940; Balrodgo Co. et al. vs. Fuentes, et al. L-15105, June 30, 1961.) (See also Pitogo vs. Lee Bee Trading Co., et al., G.R. No. L-15693, July 3, 1961).

As the provision of Reorganization Plan No. 20-A which grants to the regional offices (in this case Regional Office No. 8, Department of Labor, Davao City), original and exclusive jurisdiction over money claims of laborers, is null and void, what court, should entertain the present claim?

Under the law and jurisprudence the Court of Industrial Relations' jurisdiction extends only to cases involving (a) labor disputes affecting an industry which is indispensable to the national interest and is so certified by the President to the Court (Sec. 10, Rep. Act No. 875); (b) controversy about the minimum wage, under the Minimum Wage Law, Rep. Act No. 602; (c) hours of employment, under the Eight-Hour Labor Law, Comm. Act No. 444 and (d) unfair labor practice (See [5a], Rep. Act No. 875). And such disputes, to fall under the jurisdiction of the CIR, must arise while the employer-employee relationship between the parties exists or the employee seeks reinstatement. When such relationship is over and the employee does not seek reinstatement, all claims become money claims that fall under the jurisdiction of the regular courts (Sy Huan vs. Judge Bautista, et al., G.R. No. L-1611; and cases cited therein).

In the case at bar, admittedly there is no labor dispute; no unfair labor practice is denounced by any of the parties; the cause of the dismissal of the petitioner was the displeasure caused upon the respondent manager, by the act of the petitioner for having brought a quarrel between her and another employee, to the attention of police authorities; and when the claim was filed, there was no longer any employer-employee relationship between the parties. While it may be true that the complaint, alleged that she was not notified by defendants, at least one month in advance, that her services were to be terminated "in gross violation of Republic Act No. 1052, as amended, and as such she is entitled to reinstatement, including back salaries until he is returned to her work" and that, in her prayer she asked for the granting of such relief, it is equally true that it is not within the authority of the Court of Industrial Relations, to reinstate her and pay her back wages, in the event that she had a right to a separation pay, there being no allegation nor proof that defendant had committed unfair labor practice. In the recent case of National Labor Union vs. Insular-Yebana Tobacco Corporation, L-15363, July 31, 1961, it was ruled that in the absence of unfair labor practice, the CIR has no power to grant remedy under its general power of mediation and conciliation, such as reinstatement or back wages. Moreover, a violation of the law on separation pay (Rep. Act No. 1052, as amended by Rep. Act No. 1787), involves, at most, a breach of an obligation of the employer to his employee or vice versa, to be prosecuted like an ordinary contract or obligation — a breach of a private right which may be redressed by a recourse to the ordinary courts. Hence, the case at bar is cognizable by an ordinary court, the Court of First Instance of Davao, in this particular case, it appearing that the amount involved herein is within the jurisdiction of said court, as per findings of the Court of Appeals.

IN VIEW HEREOF, the order appealed from, dismissing the case for lack of jurisdiction, is reversed, and the same is remanded to the lower court for further proceedings, without pronouncement as to costs.

Benzon, C.J., Padilla, Bautista Angelo, Labrador, Concepcion, J.B.L. Reyes, Dizon and De Leon, JJ., concurred.

Barrera, J. took no part.