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to do so despite several attempts; that she did not know that FINASIA had sold its receivables including that of CRCP to Defendant Bank; and that she was not informed by CRCP of the scheduled foreclosure sale will not tilt the scales of justice in her favor in the face of incontrovertible documentary evidence before the Court.

Plaintiff-appellant's recourse is against CRCP, specially considering her allegation that the latter had failed to observe their agreement.

WHEREFORE, the Order appealed from is hereby AFFIRMED, with costs against plaintiff-appellant.

SO ORDERED.

Yap (Chairman), Paras, Padilla, and *Sarmiento, JJ.,* concur.

SECOND DIVISION

[G.R. No. 56431. January 19, 1988]

NATIONAL UNION OF BANK EMPLOYEES, In Its Own Right And In Behalf Of CBTC EMPLOYEES Affiliated With It; CBTC EMPLOYEES UNION, In Its Own Right And Interest And In Behalf Of All CBTC Rank And File Employees Including Its Members, BENJAMIN GABAT, BIENVENIDO MORALEDA, ELICITA GAMBOA, FAUSTINO TEVES, SALVADOR LISING, and NESTOR DE LOS SANTOS, *petitioners, vs.* **THE HON. JUDGE ALFREDO M. LAZARO, CFI-MANILA, BRANCH XXXV; COMMERCIAL BANK AND TRUST COMPANY OF THE PHILIPPINES; BANK OF THE PHILIPPINE ISLANDS; AYALA CORPORATION; MANUEL J. MARQUEZ; ENRIQUE ZOBEL; ALBERTO VILLA-ABRILLE; VICENTE A. PACIS, JR.; and DEOGRACIAS A. FERNANDO,** *respondents.*

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SYLLABUS

1. **LABOR AND SOCIAL LEGISLATION; LABOR RELATIONS; LABOR ARBITER; CIVIL ASPECTS OF ALL CASES INVOLVING UNFAIR LABOR PRACTICES, UNDER THE JURISDICTION OF THE LABOR ARBITERS.**— The claim against the Bank of Philippine Islands — the principal respondent according to the petitioners — for allegedly inducing the Commercial Bank and Trust Company to violate the existing collective bargaining agreement in the process of re-negotiation, consists mainly of the civil aspect of the unfair labor practice charge referred to under Article 247 of the Labor Code. Under Article 247 of the Code, "the civil aspects of all cases involving unfair labor practices, which may include claims for damages and other affirmative relief, shall be under the jurisdiction of the labor arbiters." In the case at bar, Presidential Decree No. 442, as amended by Batas Blg. 70, has vested such a jurisdiction upon the labor arbiters, a jurisdiction the courts may not assume. Jurisdiction over unfair labor practice cases, moreover, belongs generally to the labor department of the government, never the courts. In *Associated Labor Union v. Gomez*, we said: A rule buttressed upon statute and reason that is frequently reiterated in jurisprudence is that labor cases involving unfair practice are within the exclusive jurisdiction of the CIR. By now, this rule has ripened into dogma. It thus commands adherence, not breach. The petitioners' reliance upon *Calderon v. Court of Appeals* is not well-taken. *Calderon* has since lost *its persuasive force, beginning with our ruling in PEPSI-COLA BOTTLING COMPANY v. MARTINEZ, EBON v. DE GUZMAN, and AGUSAN DEL NORTE ELECTRIC COOP., INC. v. SUAREZ*, and following the promulgation of Presidential Decree No. 1691, restoring the jurisdiction to decide money claims unto the labor arbiters.

2. **REMEDIAL LAW; ACTIONS; JURISDICTION; CONFERRED BY LAW AND NOT DETERMINED BY THE EXISTENCE OF AN ACTION IN ANOTHER TRIBUNAL.**— The petitioners' claimed injury as a consequence of the tort allegedly committed by the private respondents, specifically, the Bank of the Philippine Islands, under Article 1314 of the Civil Code, does not necessarily give the courts jurisdiction to try the damage suit. Jurisdiction is conferred by law and not necessarily by the nature of the action. Civil controversies are not the exclusive

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domain of the courts. The fact that the Bank of the Philippine Islands is not a party to the collective bargaining agreement, for which it "cannot be sued for unfair labor practice at the time of the action," cannot bestow on the respondent court the jurisdiction it does not have. In *Cebu Portland Cement Co. v. Cement Workers' Union*, we held: xxx In the first place, it must be remembered that jurisdiction is conferred by law; it is not determined by the existence of an action in another tribunal. In other words, it is not filing of an unfair labor case in the Industrial Court that divests the court of first instance jurisdiction over actions properly belonging to the former. It is the existence of a controversy that properly falls within the exclusive jurisdiction of the Industrial Court and to which the civil action is linked or connected that removes said civil case from the competence of the regular courts.

3. **ID.; CIVIL PROCEDURE; SPLIT JURISDICTION, OBNOXIOUS TO THE ORDERLY ADMINISTRATION OF JUSTICE.** — To hold that the alleged tortious act now attributed to the Bank of the Philippine Islands may be the subject of a separate suit is to sanction split jurisdiction long recognized to be an offense against the orderly administration of justice. As stated in *Nolganza v. Apostol*: xxx As far back as *Associated Labor Union vs. Gomez* [L-25999, February 9, 1967, 19 SCRA 304] the exclusive jurisdiction of the Court of Industrial Relations in disputes of this character was upheld. 'To hold otherwise,' as succinctly stated by the *ponente*, Justice Sanchez, 'is to sanction split jurisdiction — which is obnoxious to the orderly administration of justice'. Then, in *Progressive Labor Association vs. Atlas Consolidated Mining and Development Corporation* [L-27585, May 29, 1970, 33 SCRA 349] decided three years later, Justice J.B.L. Reyes, speaking for the Court, stressed that to rule that such demand for damages is to be passed upon by the regular courts of justice, instead of leaving the matter to the Court of Industrial Relations, 'would be to sanction split jurisdiction, which is prejudicial to the orderly administration of justice.' Neither does the fact that the Bank of the Philippine Islands "was not an employer at the time the act was committed" abate a recourse to the labor arbiter. It should be noted indeed that the Bank of the Philippine Islands assumed "all the assets and liabilities" of the Commercial Bank and Trust Company.

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DECISION

SARMIENTO, *J.*:

The sole issue in this special civil action for *certiorari* is whether or not the courts may take cognizance of claims for damages arising from a labor controversy.

The antecedent facts are not disputed.

On July 1, 1977, the Commercial Bank and Trust Company, a Philippine banking institution, entered into a collective bargaining agreement with the Commercial Bank and Trust Company Union, representing the rank and file of the bank with a membership of over one thousand employees, and an affiliated local of the National Union of Bank Employees, a national labor organization.

The agreement was effective until June 30, 1980, with an automatic renewal clause until the parties execute a new agreement.

On May 20, 1980, the union, together with the National Union of Bank Employees, submitted to the bank management proposals for the renegotiation of a new collective bargaining agreement. The following day, however, the bank suspended negotiations with the union. The bank had meanwhile entered into a merger with the Bank of the Philippine Islands, another Philippine banking institution, which assumed all assets and liabilities thereof.

As a consequence, the union went to the then Court of First Instance of Manila, presided over by the respondent Judge, on a complaint for specific performance, damages, and preliminary injunction against the private respondents. Among other things, the complaint charged:

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51. In entering into such arrangement for the termination of the CURRENT CBA, and the consequent destruction to existing rights, interests and benefits thereunder, CBTC is liable for wilful injury to the contract and property rights thereunder as provided in Article 2220 of the Civil Code of the Philippines;

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52. By arranging for the termination of the CURRENT CBA in the manner above described, CBTC committed breach of said contract in bad faith, in that CBTC had taken undue advantage of its own employees, by concealing and hiding the negotiations towards an agreement on the sales and merger, when it was under a statutory duty to disclose and bargain on the effects thereof, according to law;

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54. In virtually suppressing the collective bargaining rights of plaintiffs under the law and as provided in the CURRENT CBA, through shadow bargaining, calculated delay, suspension of negotiations, concealment of bargainable issues and high-handed dictation, the CBTC and its defendant officials, as well as the BANK OF P.I. and its defendant officials, were all actuated by a dishonest purpose to secure an undue advantage; on the part of the CBTC it was to avoid fresh and additional contractual commitments, which would substantially lessen and diminish the profitability of the sale; and on the part of the BANK OF P.I., it was to avoid having to face higher compensation rates of CBTC employees in the course of integration and merger which could force the upgrading of the benefit package for the personnel of the merged operations, and thereby pushed personnel costs upwards; substantial outlays and costs thereby entailed were all deftly avoided and evaded, through the expedient of deliberate curtailment and suppression of contractual bargaining rights;

55. All the other defendants have actively cooperated with and abetted the CBTC and its defendant officers in negotiating, contriving and effecting the above arrangements for the attainment of its dishonest purpose, for abuse of its rights, and for taking undue advantage of its very own employees, through the secret sale and scheduled merger; the collective participation therein evinces machination, deceit, wanton attitude, bad faith, and oppressive intent, *wilfully causing loss or injury to plaintiffs in a manner that is contrary to law, morals, good customs and public policy, in violation of Articles 21 and 28 of the Civil Code*;[1]

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[1] *Rollo*, 46, 47. Italics in the original.

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Predictably, the private respondents moved for the dismissal of the case on the ground, essentially, of lack of jurisdiction of the court.

On November 26, 1980, the respondent Judge issued an order, dismissing the case for lack of jurisdiction. According to the court, the complaint partook of an unfair labor practice dispute notwithstanding the incidental claim for damages, jurisdiction over which is vested in the labor arbiter. This order, as well as a subsequent one denying reconsideration, is now alleged as having been issued "in excess of his jurisdiction amounting to a grave abuse of discretion."

We sustain the dismissal of the case, which is, as correctly held by the respondent court, an unfair labor practice controversy within the original and exclusive jurisdiction of the labor arbiters and the exclusive appellate jurisdiction of the National Labor Relations Commission. The claim against the Bank of Philippine Islands — the principal respondent according to the petitioners — for allegedly inducing the Commercial Bank and Trust Company to violate the existing collective bargaining agreement in the process of re-negotiation, consists mainly of the civil aspect of the unfair labor practice charge referred to under Article 247[2] of the Labor Code.

Under Article 248[3] of the Labor Code, it shall be an unfair labor practice:

(a) To interfere with, restrain or coerce employees in the exercise of their right to self-organization;

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(g) To violate the duty to bargain collectively as prescribed by this Code;

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[2] As amended by Presidential Decree No. 1691 (May 1, 1980) and Batas Blg. 70 (May 1, 1980) as amended further by Batas Blg. 227, June 1, 1982.

[3] *Id.*

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The act complained of is broad enough to embrace either provision. Since it involves collective bargaining — whether or not it involved an accompanying violation of the Civil Code — it may rightly be categorized as an unfair labor practice. The civil implications thereof do not defeat its nature as a fundamental labor offense.

As we stated, the damages (allegedly) suffered by the petitioners only form part of the civil component of the injury arising from the unfair labor practice. Under Article 247 of the Code, "the civil aspects of all cases involving unfair labor practices, which may include claims for damages and other affirmative relief, shall be under the jurisdiction of the labor arbiters."[4]

The petitioners' claimed injury as a consequence of the tort allegedly committed by the private respondents, specifically, the Bank of the Philippine Islands, under Article 1314 of the Civil Code,[5] does not necessarily give the courts jurisdiction to try the damage suit. Jurisdiction is conferred by law[6] and not necessarily by the nature of the action. Civil controversies are not the exclusive domain of the courts. In the case at bar, Presidential Decree No. 442, as amended by Batas Blg. 70, has vested such a jurisdiction upon the labor arbiters, a jurisdiction the courts may not assume.

Jurisdiction over unfair labor practice cases, moreover, belongs generally to the labor department of the government, never the courts. In *Associated Labor Union v. Gomez*,[7] we said:

A rule buttressed upon statute and reason that is frequently reiterated in jurisprudence is that labor cases involving unfair practice are within the exclusive jurisdiction of the CIR. By now, this rule has ripened into dogma. It thus commands adherence, not breach.

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[4] *Supra*, Pres. Decree No. 442, Art. 247.

[5] ART. 1314. Any third person who induces another to violate his contract shall be liable for damages to the other contracting party.

[6] *Pepsi-Cola Bottling Company v. Martinez*, No. L-58877, March 15, 1982, 112 SCRA 578 (1982).

[7] No. L-25999, February 9, 1967, 19 SCRA 304 (1967).

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The fact that the Bank of the Philippine Islands is not a party to the collective bargaining agreement, for which it "cannot be sued for unfair labor practice at the time of the action,"[8] cannot bestow on the respondent court the jurisdiction it does not have. In *Cebu Portland Cement Co. v. Cement Workers' Union*,[9] we held:

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There is no merit in the allegation. In the first place, it must be remembered that jurisdiction is conferred by law; it is not determined by the existence of an action in another tribunal. In other words, it is not filing of an unfair labor case in the Industrial Court that divests the court of first instance jurisdiction over actions properly belonging to the former. It is the existence of a controversy that properly falls within the exclusive jurisdiction of the Industrial Court and to which the civil action is linked or connected that removes said civil case from the competence of the regular courts. It is for this reason that civil actions found to be intertwined with or arising out of, a dispute exclusively cognizable by the Court of Industrial Relations were dismissed, even if the cases were commenced ahead of the unfair labor practice proceeding, and jurisdiction to restrain picketing was decreed to belong to the Court of Industrial Relations although no unfair labor practice case has as yet been instituted. For the court of first instance to lose authority to pass upon a case, therefore, it is enough that unfair labor practice case is in fact involved in or attached to the action, such fact of course being established by sufficient proof.[10]

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Furthermore, to hold that the alleged tortious act now attributed to the Bank of the Philippine Islands may be the subject of a separate suit is to sanction split jurisdiction long recognized to be an offense against the orderly administration of justice. As stated in *Nolganza v. Apostol*:[11]

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[8] *Rollo, id.*, 15.

[9] No. L-30174, May 31, 1972, 45 SCRA 337 (1972).

[10] At 341.

[11] No. L-32953, March 31, 1977, 76 SCRA 190 (1977).

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As far back as *Associated Labor Union vs. Gomez* [L-25999, February 9, 1967, 19 SCRA 304] the exclusive jurisdiction of the Court of Industrial Relations in disputes of this character was upheld. 'To hold otherwise,' as succinctly stated by the *ponente*, Justice Sanchez, 'is to sanction split jurisdiction — which is obnoxious to the orderly administration of justice'. Then, in *Progressive Labor Association vs. Atlas Consolidated Mining and Development Corporation* [L-27585, May 29, 1970, 33 SCRA 349] decided three years later, Justice J.B.L. Reyes, speaking for the Court, stressed that to rule that such demand for damages is to be passed upon by the regular courts of justice, instead of leaving the matter to the Court of Industrial Relations, 'would be to sanction split jurisdiction, which is prejudicial to the orderly administration of justice.' Thereafter, this Court, in the cases of *Leoquinco vs. Canada Dry Bottling Co.* [L-28621, February 22, 1971, 37 SCRA 535] and *Associated Labor Union v. Cruz* (L-28978, September 22, 1971, 41 SCRA 12], with the opinions coming from the same distinguished jurist, adhered to such a doctrine. The latest case in point, as noted at the outset, is the Goodrich Employees Association decision [L-30211, October 5, 1976, 73 SCRA 297].

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The petitioners' reliance upon *Calderon v. Court of Appeals*[12] is not well-taken. *Calderon* has since lost *its persuasive force, beginning with our ruling in PEPSI-COLA BOTTLING COMPANY v. MARTINEZ,*[13] *EBON v. DE GUZMAN,*[14] and *AGUSAN DEL NORTE ELECTRIC COOP., INC. v. SUAREZ,*[15] and following the promulgation of Presidential Decree No. 1691, restoring the jurisdiction to decide money claims unto the labor arbiters.

Neither does the fact that the Bank of the Philippine Islands "was not an employer at the time the act was committed" abate a recourse to the labor arbiter. It should be noted indeed that

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[12] No. L-52235, October 28, 1980, 100 SCRA 459 (1980).

[13] *Supra.*

[14] No. L-58265, March 25, 1982, 113 SCRA 52 (1982).

[15] No. L-60716, October 27, 1983, 125 SCRA 436 (1983).

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the Bank of the Philippine Islands assumed "all the assets and liabilities"[16] of the Commercial Bank and Trust Company. Moreover, under the Corporation Code:

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5. The surviving or consolidated corporation shall be responsible and liable for all the liabilities and obligations of each of the constituent corporations in the same manner as if such surviving or consolidated corporation had itself incurred such liabilities or obligations; and any claim, action or proceeding pending by or against any of such constituent corporations may be prosecuted by or against the surviving or consolidated corporation, as the case may be. Neither the rights of creditors nor any lien upon the property of any of such constituent corporations shall be impaired by such merger or consolidation.[17]

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In sum, the public respondent has not acted with grave abuse of discretion.

WHEREFORE, the petition is DISMISSED. No costs.

Yap (Chairman), Melencio-Herrera, and *Paras, JJ.*, concur.

Padilla, J., took no part, having been counsel and director of respondent Bank of the Philippine Islands and director of respondent Ayala Corporation.

[16] *Rollo, Id.*, 218.

[17] Corp. Code, Sec. 80 (5).