

## SECOND DIVISION

[ G.R. No. 199601, November 23, 2015 ]

**PHILIPPINE COMMERCIAL INTERNATIONAL BANK (NOW BDO UNIBANK, INC.), PETITIONER, VS. JOSEPHINE D. GOMEZ, RESPONDENT.**

### DECISION

**BRION, J.:**

We resolve the petition for review on certiorari under Rule 45 of the Rules of Court<sup>[1]</sup> filed by Philippine Commercial International Bank (*PCIB*) assailing the May 23, 2011 decision<sup>[2]</sup> and the December 7, 2011 resolution<sup>[3]</sup> of the Court of Appeals (CA) in CA-G.R. CV No. 68288. The CA affirmed the May 25, 1999 decision of the Regional Trial Court of Makati City, Branch 145 (*RTC*) *in toto*.

#### FACTUAL ANTECEDENTS

Josephine D. Gomez (Josephine) was a teller at the Domestic Airport Branch of the PCIB when a certain Colin R. Harrington opened Savings Account No. 373-28010-6 with said branch in January 1985.

The following day, Harrington presented two (2) genuine bank drafts dated January 3, 1985, issued by the Bank of New Zealand. The first draft was in the sum of US\$724.57 payable to "C.R. Harrington," while the second draft was in the sum of US\$2,004.76 payable to "Servants C/C.R. Harrington."

The PCIB, on the other hand, alleged that it was a certain Sophia La'O, as a representative of Harrington, who presented the bank drafts for deposit.

Upon receipt of the bank drafts, Josephine asked her immediate supervisor, Eleanor Flores, whether the drafts payable to "Servants C/C.R. Harrington" were acceptable for deposit to the savings account of Harrington. When Flores answered in the affirmative, and after receiving from the bank's foreign exchange supervision a Philippine Currency conversion of the amounts reflected in the drafts, Josephine received the deposit slip. Thereafter, the deposits were duly entered in Harrington's savings account.

On two (2) separate dates, a certain individual representing himself as Harrington withdrew the sums of P45,000.00 and P5,600.00. Subsequently, the bank discovered that the person who made the withdrawals was an impostor. Thus, the bank had to pay Harrington P50,600.00 representing the amounts of the bank drafts in his name.

The PCIB issued a memorandum asking Josephine to explain why no disciplinary action should be taken against her for having accepted the bank drafts for deposits.

Josephine reasoned that being a new teller she was not yet fully oriented with the various aspects of the job. She further alleged that she had asked the approval of her immediate supervisor prior to receiving the deposits.

On November 14, 1985, the PCIB deducted the amount of P-423.38 from Josephine's salary. Josephine wrote the PCIB to ask why the deduction was made.

After due investigation on the matter, the PCIB issued another memorandum finding Josephine grossly negligent and liable for performing acts in violation of established operating procedures. The memorandum required Josephine to pay the amount of P-50,600.00 through deductions in her salary, allowance, bonuses, and profit sharing until the amount is fully paid.

Josephine wrote the PCIB to ask for the basis of its findings that she was grossly negligent and liable to pay the amount of P50,600.00. During trial, the RTC found that the PCIB did not even respond to this letter. PCIB, however, alleged that it had replied to Josephine's letter, and explained that she was afforded due process and the deductions made prior to January 15, 1986, were merely a withholding pending the investigation.

The PCIB also admitted that as early as January 15, 1986, it had started to deduct the amount of P 200.00 from Josephine's salary as well as 50% of her bonuses and profit sharing.

On February 10, 1986, Josephine filed a complaint for damages with prayer for preliminary injunction before the RTC of Makati City. She claimed that the PCIB had abused its right by gradually deducting from her salary the amount the bank had to pay Harrington.

The PCIB filed its answer with counterclaims and a separate complaint with the RTC of Makati City, which was raffled to Branch 149.

In its **May 25, 1999** decision, the RTC rendered judgment in favor of Josephine and ordered the PCIB to pay her actual damages in the amount of P5,006.00 plus 12% interest from filing of the complaint; moral damages in the amount of PI 50,000.00; and attorney's fees in the amount of P-50,000.00.

The RTC considered the PCIB's manner of deducting from the salary and allowance of Josephine as having been rendered in bad faith and contrary to morals, good custom, and public policy. This was borne out by the fact that the PCIB had already deducted from her salary before Josephine received the memorandum finding her liable for the P50,600.00. In addition, while there were other individuals involved in this incident, it appeared that it was only Josephine who was made solely responsible.

On appeal, the PCIB argued that the RTC had no jurisdiction over the case because it was a labor dispute, which the labor tribunals are more competent to resolve. It also maintained that there was no factual or legal basis for the RTC to make it liable for damages and to pay Josephine.

In its **May 23, 2011 decision**, the CA affirmed the May 25, 1999 RTC decision. It held that the PCIB was estopped from questioning the jurisdiction of the RTC

because it had filed an answer with counterclaims and even initiated a separate case before a different branch of the RTC. It upheld the RTC's findings and conclusion in awarding damages and attorney's fees to Josephine because there was no reason to disturb them.

The CA, subsequently, denied the PCIB's motion for reconsideration on **December 7, 2011**; hence, the PCIB filed the present petition.

First, the PCIB contends that the CA gravely erred in ruling that its actions were in total and wanton disregard of Articles 19 and 21 of the Civil Code because the courts *a quo* summarily imputed bad faith on how it had treated Josephine.

Second, the PCIB maintains that the CA gravely erred in awarding moral damages and attorney's fees to Josephine absent any basis for it while averring that bad faith cannot be presumed and that Josephine had failed to prove it with clear and convincing evidence.

### **OUR RULING**

We **DENY** the present petition for lack of merit.

***The civil courts have jurisdiction over a case when the cause of action does not have a reasonable causal connection from the employer-employee relationship.***

Although the PCIB opted not to raise the issue before this Court, we find it prudent and imperative to justify why the RTC had jurisdiction to take cognizance of Josephine's complaint despite the fact that her cause of action arose because her employer arbitrarily deducted from her salary - an act expressly prohibited by our labor laws.<sup>[4]</sup>

Article 224 [217] of the Labor Code provides that the Labor Arbiters have original and exclusive jurisdiction to hear and decide claims for actual, moral, exemplary, and other forms of damages arising from employer-employee relations. The legislative intent appears clear to allow Labor Arbiters to award to an employee not only the reliefs provided by our labor laws, but also moral and other forms of damages governed by the Civil Code. Specifically, we have mentioned, in fact, that a complaint for damages under Articles 19, 20, and 21 of the Civil Code would not suffice to keep the case without the jurisdictional boundaries of our labor courts - especially when the claim for damages is interwoven with a labor dispute.<sup>[5]</sup>

Nevertheless, when the cause of action has no reasonable connection with any of the claims provided for in Article 224 of the Labor Code, jurisdiction over the action is with the regular courts. <sup>[6]</sup> Here, since Josephine's cause of action is based on a *quasi-delict* or tort under Article 19 in relation to Article 21 of the Civil Code, the civil courts (not the labor tribunals) have jurisdiction over the subject matter of this case.

To be sure, the case of *Singapore Airlines Ltd. v. Ernani Cruz Paño* is enlightening:

Upon the facts and issues involved, jurisdiction over the present controversy must be held to belong to the civil courts. While seemingly petitioner's claim for damages arises from employer-employee relations, and the latest amendment to Article 217 of the Labor Code under PD No. 1691 and BP Big. 130 provides that all other claims arising from employer-employee relationship are cognizable by Labor Arbiters, in essence, petitioner's claim for damages is grounded on the "wanton failure and refusal" without just cause of private respondent Cruz to report for duty despite repeated notices served upon him of the disapproval of his application for leave of absence without pay. This, coupled with the further averment that Cruz "maliciously and with bad faith" violated the terms and conditions of the conversion training course agreement to the damage of petitioner removes the present controversy from the coverage of the Labor Code and brings it within the purview of Civil Law.

Clearly, the complaint was anchored not on the abandonment per se by private respondent Cruz of his job as the latter was not required in the Complaint to report back to work but on **the manner and consequent effects of such abandonment of work translated in terms of the damages which petitioner had to suffer.**<sup>[7]</sup> [emphasis and underscoring supplied]

In the present case, Josephine filed a civil complaint for damages against the PCIB based on how her employer quickly concluded that she was negligent and hence arbitrarily started to deduct from her salary. Clearly, without having to dwell on the merits of the case, Josephine opted to invoke the jurisdiction of our civil courts because her right to fair treatment was violated.

The discussion in *Quisaba v. Sta. Ines-Melale Veneer & Plywood, Inc.* is just as relevant as it is illuminating on the present case, to wit:

Although the acts complained of seemingly appear to constitute "matters involving employee-employer relations" as Quisaba's dismissal was the severance of a preexisting employee-employer relation, his complaint is grounded not on his dismissal *per se* as in fact he does not ask for reinstatement or backwages, but on the *manner* of his dismissal and the *consequent effects* of such dismissal.

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The "right" of the respondents to dismiss Quisaba should not be confused with the *manner* in which the right was exercised and the effects flowing therefrom. If the dismissal was done anti-socially or oppressively, as the complaint alleges, then the respondents violated article 1701 of the Civil Code which prohibits acts of oppression by either capital or labor against the other, and article 21, which makes a person liable for damages if he