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THIRD DIVISION

[G.R. No. 171212, August 20, 2014]

INDOPHIL TEXTILE MILLS, INC., PETITIONER, VS. ENGR. SALVADOR ADVIENTO, RESPONDENTS.

D E C I S I O N

PERALTA, J.:

Before the Court is a petition for review on *certiorari* under Rule 45 of the Revised Rules of Court which seeks to review, reverse and set-aside the Decision[1] of the Court of Appeals *(CA)*, dated May 30, 2005, and its Resolution[2] dated January 10, 2006 in the case entitled *Indophil Textile Mills, Inc. v. Hon. Rolando R. Velasco and Engr. Salvador Adviento*, docketed as CA-G.R. SP No. 83099.

The facts are not disputed.

Petitioner Indophil Textile Mills, Inc. is a domestic corporation engaged in the business of manufacturing thread for weaving.[3] On August 21, 1990, petitioner hired respondent Engr. Salvador Adviento as Civil Engineer to maintain its facilities in Lambakin, Marilao, Bulacan.[4]

On August 7, 2002, respondent consulted a physician due to recurring weakness and dizziness.[5] Few days later, he was diagnosed with Chronic Poly Sinusitis, and thereafter, with moderate, severe and persistent Allergic Rhinitis.[6] Accordingly, respondent was advised by his doctor to totally avoid house dust mite and textile dust as it will transmute into health problems.[7]

Distressed, respondent filed a complaint against petitioner with the National Labor Relations Commission (*NLRC*), San Fernando, Pampanga, for alleged illegal dismissal and for the payment of backwages, separation pay, actual damages and attorney's fees. The said case, docketed as NLRC Case No. RAB-III-05-5834-03, is still pending resolution with the NLRC at the time the instant petition was filed.[8]

Subsequently, respondent filed another Complaint[9] with the Regional Trial Court (*RTC*) of Aparri, Cagayan, alleging that he contracted such occupational disease by reason of the gross negligence of petitioner to provide him with a safe, healthy and workable environment.

In his Complaint, respondent alleged that as part of his job description, he conducts regular maintenance check on petitioner's facilities including its dye house area, which is very hot and emits foul chemical odor with no adequate safety measures introduced by petitioner.[10] According to respondent, the air washer dampers and all roof exhaust vests are blown into open air, carrying dust thereto.[11] Concerned,

respondent recommended to management to place roof insulation to minimize, if not, eradicate the health hazards attendant in the work place.[12] However, said recommendation was turned down by management due to high cost.[13]

Respondent further suggested to petitioner's management that the engineering office be relocated because of its dent prone location, such that even if the door of the office is sealed, accumulated dust creeps in outside the office.[14] This was further aggravated by the installation of new filters fronting the office.[15] However, no action was taken by management.[16]

According to respondent, these health hazards have been the persistent complaints of most, if not all, workers of petitioner.[17] Nevertheless, said complaints fell on deaf ears as petitioner callously ignored the health problems of its workers and even tended to be apathetic to their plight, including respondent.[18]

Respondent averred that, being the only breadwinner in the family, he made several attempts to apply for a new job, but to his dismay and frustration, employers who knew of his present health condition discriminated against him and turned down his application.[19] By reason thereof, respondent suffered intense moral suffering, mental anguish, serious anxiety and wounded feelings, praying for the recovery of the following: (1) Five Million Pesos (P5,000,000.00) as moral damages; (2) Two Million Pesos (P2,000,000.00) as exemplary damages; and (3) Seven Million Three Thousand and Eight Pesos (P7,003,008.00) as compensatory damages.[20] Claiming to be a pauper litigant, respondent was not required to pay any filing fee.[21]

In reply, petitioner filed a Motion to Dismiss[22] on the ground that: (1) the RTC has no jurisdiction over the subject matter of the complaint because the same falls under the original and exclusive jurisdiction of the Labor Arbiter (*LA*) under Article 217(a)(4) of the Labor Code; and (2) there is another action pending with the Regional Arbitration Branch III of the NLRC in San Fernando City, Pampanga, involving the same parties for the same cause.

On December 29, 2003, the RTC issued a Resolution[23] denying the aforesaid Motion and sustaining its jurisdiction over the instant case. It held that petitioner's alleged failure to provide its employees with a safe, healthy and workable environment is an act of negligence, a case of *quasi-delict.* As such, it is not within the jurisdiction of the LA under Article 217 of the Labor Code. On the matter of dismissal based on *lis pendencia*, the RTC ruled that the complaint before the NLRC has a different cause of action which is for illegal dismissal and prayer for backwages, actual damages, attorney's fees and separation pay due to illegal dismissal while in the present case, the cause of action is for quasi-delict.[24] The fallo of the Resolution is quoted below:

> **WHEREFORE**, finding the motion to dismiss to be without merit, the Court **denies** the motion to dismiss.
>
> **SO ORDERED**.[25]

On February 9, 2004, petitioner filed a motion for reconsideration thereto, which was likewise denied in an Order issued on even date.

Expectedly, petitioner then filed a Petition for *Certiorari* with the CA on the ground that the RTC committed grave abuse of discretion amounting to lack or excess of jurisdiction in upholding that it has jurisdiction over the subject matter of the complaint despite the broad and clear terms of Article 217 of the Labor Code, as amended.[26]

After the submission by the parties of their respective Memoranda, the CA rendered a Decision[27] dated May 30, 2005 dismissing petitioner's Petition for lack of merit, the dispositive portion of which states:

> **WHEREFORE**, premises considered, petition for certiorari is hereby **DISMISSED** for lack of merit.
>
> **SO ORDERED**.[28]

From the aforesaid Decision, petitioner filed a Motion for Reconsideration which was nevertheless denied for lack of merit in the CA's Resolution[29] dated January 10, 2006.

Hence, petitioner interposed the instant petition upon the solitary ground that "THE HONORABLE COURT OF APPEALS HAS DECIDED A QUESTION OF SUBSTANCE IN A WAY NOT IN ACCORD WITH LAW AND WITH APPLICABLE DECISIONS OF THE HONORABLE SUPREME COURT."[30] Simply, the issue presented before us is whether or not the RTC has jurisdiction over the subject matter of respondent's complaint praying for moral damages, exemplary damages, compensatory damages, anchored on petitioner's alleged gross negligence in failing to provide a safe and healthy working environment for respondent.

The delineation between the jurisdiction of regular courts and labor courts over cases involving workers and their employers has always been a matter of dispute. [31] It is up to the Courts to lay the line after careful scrutiny of the factual milieu of each case. Here, we find that jurisdiction rests on the regular courts.

In its attempt to overturn the assailed Decision and Resolution of the CA, petitioner argues that respondent's claim for damages is anchored on the alleged gross negligence of petitioner as an employer to provide its employees, including herein respondent, with a safe, healthy and workable environment; hence, it arose from an employer-employee relationship.[32] The fact of respondent's employment with petitioner as a civil engineer is a necessary element of his cause of action because without the same, respondent cannot claim to have a right to a safe, healthy and workable environment.[33] Thus, exclusive jurisdiction over the same should be vested in the Labor Arbiter and the NLRC pursuant to Article 217(a)(4) of the Labor Code of the Philippines (*Labor Code*), as amended.[34]

We are not convinced.

The jurisdiction of the LA and the NLRC is outlined in Article 217 of the Labor Code, as amended by Section 9 of Republic Act (R.A.) No. 6715, to wit:

> **ART. 217.** ***Jurisdiction of Labor Arbiters and the Commission*** -- (a) Except as otherwise provided under this Code the Labor Arbiter shall have original and exclusive jurisdiction to hear and decide, within thirty (30) calendar days after the submission of the case by the parties for decision without extension, even in the absence of stenographic notes, the following cases involving all workers, whether agricultural or non-agricultural:
>
> 1. Unfair labor practice cases;
> 2. Termination disputes;
> 3. ***If accompanied with a claim for reinstatement, those cases that workers may file involving*** wages, rates of pay, hours of work and other ***terms and conditions of employment***;
> 4. ***Claims for actual, moral, exemplary and other forms of damages arising from employer-employee relations***;
> 5. Cases arising from any violation of Article 264 of this Code including questions involving the legality of strikes and lockouts; and
> 6. Except claims for Employees Compensation, Social Security, Medicare and maternity benefits, all other claims, arising from employer-employee relations, including those of persons in domestic or household service, involving an amount exceeding five thousand pesos (P5,000.00) regardless of whether accompanied with a claim for reinstatement.
>
> x x x.[35]

While we have upheld the present trend to refer worker-employer controversies to labor courts in light of the aforequoted provision, we have also recognized that not all claims involving employees can be resolved solely by our labor courts, specifically when the law provides otherwise.[36] For this reason, we have formulated the "reasonable causal connection rule," wherein if there is a reasonable causal connection between the claim asserted and the employer-employee relations, then the case is within the jurisdiction of the labor courts; and in the absence thereof, it is the regular courts that have jurisdiction.[37] Such distinction is apt since it cannot be presumed that money claims of workers which do not arise out of or in connection with their employer-employee relationship, and which would therefore fall within the general jurisdiction of the regular courts of justice, were intended by the legislative authority to be taken away from the jurisdiction of the courts and lodged with Labor Arbiters on an exclusive basis.[38]

In fact, as early as *Medina vs. Hon. Castro-Bartolome*,[39] in negating the jurisdiction of the LA, although the parties involved were an employer and two employees, the Court succinctly held that:

> The pivotal question to Our mind is whether or not the Labor Code has any relevance to the reliefs sought by the plaintiffs. ***For if the Labor Code has no relevance, any discussion concerning the statutes amending it and whether or not they have retroactive effect is unnecessary.***
>
> It is obvious from the complaint that the plaintiffs have not alleged any unfair labor practice. ***Theirs is a simple action for damages for tortious acts allegedly committed by the defendants. Such being the case, the governing statute is the Civil Code and not the Labor Code***. It results that the orders under review are based on a wrong premise.[40]

Similarly, we ruled in the recent case of *Portillo v. Rudolf Lietz, Inc*.[41] that not all disputes between an employer and his employees fall within the jurisdiction of the labor tribunals such that when the claim for damages is grounded on the "wanton failure and refusal" without just cause of an employee to report for duty despite repeated notices served upon him of the disapproval of his application for leave of absence, the same falls within the purview of Civil Law, to wit:

> As early as Singapore *Airlines Limited v. Paño,* ***we established that not all disputes between an employer and his employee(s) fall within the jurisdiction of the labor tribunals***. We differentiated between abandonment per se and the manner and consequent effects of such abandonment and ruled that the first, is a labor case, while the second, is a civil law case.
>
> ***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 Blg. 130 provides that all other claims arising from employer-employee relationship are cognizable by Labor Arbiters [citation omitted], 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***. x x x.[42]