

682 Phil. 574

SECOND DIVISION

[G.R. No. 185463, February 22, 2012]

TEEKAY SHIPPING PHILS., INC., AND/OR TEEKAY SHIPPING CANADA, PETITIONERS, VS. RAMIER C. CONCHA RESPONDENT.

DECISION

PEREZ, J.:

Petitioners Teekay Shipping Philippines, Inc., and/or Teekay Shipping Canada, Ltd. (hereinafter referred to as petitioners) seek the reversal of the 3 July 2008 Decision^[1] and 20 November 2008 Resolution^[2] of the Court of Appeals (CA) in CA-G.R. Sp. No. 98667. The CA ruled that "the NLRC acted without grave abuse of discretion in ordering the remand of the case to the Arbitration Branch for further proceedings as the case has not yet prescribed."^[3]

Culled from the records are the following undisputed facts:

On 9 November 2000, Ramier C. Concha (hereinafter referred to as private respondent) was hired as an Able Seaman by petitioners under an employment contract^[4] for a period of eight (8) months with a monthly salary of \$535.00. He was deployed to Canada on 22 November 2000.

On a windy morning of 23 November 2000, while he was removing rusty fragments during his deck assignment, a foreign particle accidentally entered his left eye. When his eye became reddish and his vision became blurred, the designated medical officer on board administered first aid treatment. Since there was no sign of improvement, respondent requested for medical check-up in a hospital.

On 3 December 2000, private respondent was initially admitted at Karanatha Hospital in Australia and was diagnosed with Left Eye Acute Iritis. He was thereafter referred to the Royal Perth Hospital, West Australia and was diagnosed to be suffering from Left Eye Iritis (Granulomatous).

On 6 December 2000, after being deployed only for less than a month, private respondent was repatriated to the Philippines. Upon his arrival, private respondent was referred to the Metropolitan Hospital. He underwent medical treatment until February 2001. As he had not been assessed whether he was fit to work as a seafarer, he filed a complaint for illegal dismissal with money claims with the Arbitration Branch of the National Labor Relations Commission (NLRC) on 28 May 2001.^[5] The complaint, however, was dismissed without prejudice by the Labor Arbiter on same date.

On 13 December 2004, private respondent filed another complaint^[6] for illegal dismissal before the Arbitration Branch of the NLRC. In his complaint, he sought to recover disability benefits, damages and attorney's fees. He likewise prayed for the payment of wages pertaining to the unexpired portion of his contract.

Petitioners moved to dismiss the complaint for being time-barred. Relying on Article 291 of the Labor Code, they maintained that all money claims premised on, or arising from one's employment should be brought within three (3) years from the time the cause of action accrued.

In an Order^[7] dated 28 February 2005, the Labor Arbiter dismissed the complaint on the ground of prescription.

Aggrieved, private respondent on 11 April 2005 filed an appeal^[8] to the NLRC arguing that the Labor Arbiter erred in dismissing his complaint and in denying him due process by not giving him the opportunity to present evidence against petitioners.

On 28 November 2006, the NLRC issued a Resolution^[9] setting aside the 28 February 2005 Order of the Labor Arbiter. The NLRC, in effect, reinstated the case and ordered the Labor Arbiter of origin to conduct further proceedings.

Petitioners filed a Motion for Reconsideration but this was denied by the NLRC in an Order^[10] dated 31 January 2007.

Petitioners assailed the 28 November 2006 and 31 January 2007 Resolutions of the NLRC before the CA.

On 3 July 2008, the CA promulgated a decision dismissing their petition. The motion for reconsideration filed by petitioners on 25 July 2008 was denied in a Resolution dated 20 November 2008.

Hence, this petition.

ISSUE

Whether or not the CA erred in ruling that private respondent's claims have not yet prescribed.

OUR RULING

The appellate court is correct.

We find the instant petition bereft of merit.

Petitioners contend that the CA unjustifiably turned a blind eye to pertinent existing laws, contract and prevailing jurisprudence. They insist that seafarers are contractual employees whose rights and obligations are governed primarily by the POEA Standard Employment Contract for Filipino Seamen, the Rules and Regulations Governing

Overseas Employment, and more importantly, Republic Act No. 8042 or the Migrant Workers and Overseas Filipinos Act of 1995.

Citing Section 30 of the POEA Standard Employment Contract, they maintained that all claims arising therefrom prescribes in three (3) years.^[11]

Petitioners argue that since the aforesaid provision specifically set the prescription to three (3) years, the period provided under Article 1146 of the Civil Code cannot be made to apply. They insist that private respondent's cause of action even if principally anchored on his alleged illegal dismissal clearly prescribed in three (3) years under the aforesaid provision.

Petitioners contend that even if private respondent's claims are well-founded, the latter's cause of action accrued on or before 6 December 2000. Thus, his complaint should have been instituted within three (3) years from 6 December 2000 or before 6 December 2003. They further contend that even assuming that the running of the period of prescription began only on 28 May 2001, the date when private respondent's first complaint was dismissed without prejudice, his claims would have prescribed on 28 May 2004. Since private respondent filed his complaint only on 13 December 2004, the same had clearly prescribed.^[12]

The dispute is the period of prescription of action for illegal dismissal. It will be noticed that in their Motion to Dismiss before the NLRC, petitioners allege that the prescriptive period to be applied should be three (3) years from the time the cause of action accrued in accordance with the Labor Code. However, in their petition before this Court, they changed their stand and alleged that the applicable provision should be that which is stated in the POEA Standard Employment Contract for Filipino Seamen because seafarers are not regular employees and as such, are not covered by the Labor Code.

In *Callanta v. Carnation Philippines, Inc.*,^[13] this Court ruled that actions based on injury to rights prescribe in four (4) years under Article 1146 of the Civil Code rather than three (3) years as provided for the Labor Code. An action for damages involving a plaintiff separated from his employment for alleged unjustifiable causes is one for "injury to the rights of the plaintiff, and must be brought within four (4) years."^[14] Private respondent had gone to the Labor Arbiter on a charge, fundamentally, of illegal dismissal, of which his money claims form but an incidental part. Essentially, his complaint is one for "injury to rights" arising from his forced disembarkation.^[15] Thus, Article 1146 is the applicable provision. It provides:

Art. 1146. The following actions must be instituted within four years:

- (1) Upon an injury to the rights of the plaintiff;
- (2) Upon a quasi-delict;

It is a principle in American jurisprudence which, undoubtedly, is well-recognized in this

jurisdiction that one's employment, profession, trade or calling is a "property right," and the wrongful interference therewith is an actionable wrong.^[16] The right is considered to be property within the protection of a constitutional guaranty of due process of law.^[17] Clearly then, when one is arbitrarily and unjustly deprived of his job or means of livelihood, the action instituted to contest the legality of one's dismissal from employment constitutes, in essence, an action predicated "upon an injury to the rights of the plaintiff," as contemplated under Art. 1146 of the New Civil Code, which must be brought within four (4) years.^[18]

As in other causes of action, the prescriptive period for money claims is subject to interruption, and in view of the absence of an equivalent Labor Code provision for determining when said period may be interrupted, Article 1155 of the Civil Code is applicable. It states that:

Article 1155. The prescription of actions is interrupted when they are filed before the Court, when there is written extra-judicial demand by the creditors, and when there is any written acknowledgment of the debt by the debtor.

Records reveal that after his disembarkation from the vessel "MV Kyushu Spirit" on 6 December 2000, private respondent filed on 28 May 2001 a complaint for illegal dismissal before the Arbitration Branch of the NLRC. His complaint was dismissed by the Labor Arbiter on the same date. In accordance with Section 16, Rule V of the NLRC Rules of Procedure^[19], private respondent can re-file a case in the Arbitration Branch of origin. Since the filing of his first complaint on 28 May 2001 tolled the running of the period of prescription, both the NLRC and the CA were correct in ruling that the filing of respondent's second complaint with money claims on 13 December 2004 was clearly filed on time.

The determination of the amount of claims or benefits to which private respondent may be entitled requires factual inquiry that devolves upon the Labor Arbiter. Considering that the case was dismissed through a minute resolution, the case, as correctly ruled by the NLRC and affirmed by the CA, should be referred back to the Arbitration Branch of NLRC for the reception of evidence.

WHEREFORE, the instant petition for review is **DENIED** and the assailed Decision dated 3 July 2008 of the Court of Appeals is **AFFIRMED** in toto.

Costs against petitioner.

SO ORDERED.

*Carpio, (Chairperson), Villarama, Jr., * Sereno, and Reyes, JJ., concur.*

* Designated additional member per Special Order No. 1195 dated 15 February 2012.

[1] Penned by Associate Justice Josefina Guevara-Salonga with Associate Justices Magdangal M. De Leon and Normandie B. Pizarro, concurring. *Rollo*, pp 27-33.

[2] *Id.* at 35-36.

[3] *Id.* at 33.

[4] *Id.* at 51.

[5] *CA rollo*, pp. 3-4.

[6] *Id.* at 26-27.

[7] *Id.* at 33.

[8] *Id.* at 34-49.

[9] *Rollo*, pp. 53-57.

[10] *Id.* at 59-60.

[11] Section 30. All claims arising from this contract shall be made within three (3) years from the date the cause of action arises, otherwise, the same shall be barred.

[12] *Rollo*, p. 21.

[13] 229 Phil. 279, 288 (1986).

[14] *Valencia v. Cebu Portland Cement, et al.*, 106 Phils. 732, 735 (1959).

[15] *PAN-FIL Co., Inc. v. Aguilar, et al.*, 249 Phil. 267, 273-274 (1988).

[16] *Callanta v. Carnation Philippines, Inc.*, supra note 14 at 288-289 citing *Carter v. Knapp Motor Co.*, 11 So. 2d 383, 384, 243 Ala. 600, 144 A.L.R. 1177.

[17] *Id.* at 289 citing Fernando, *Constitution of the Philippines, Second Edition* [1977] pp. 512 -513.

[18] *Id.*

[19] Section 16. *Revival And Re-Opening Or Re-Filing Of Dismissed Case.* - A party may file a motion to revive or re-open a case dismissed without prejudice, within ten (10)

calendar days from receipt of notice of the order dismissing the same; otherwise, his only remedy shall be to re-file the case in the arbitration branch of origin.



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