94 Phil. 932

[G.R. No. L-5694. May 12, 1954]

PAMBUJAN SUR UNITED MINE WORKERS, PLAINTIFF AND APPELLANT, VS. SAMAR MINING COMPANY, INC., DEFENDANT AND APPELLEE.

D E C I S I O N

BENGZON, J.:

The issue in this appeal is whether the jurisdiction of the Court of Industrial Relations over certain controversies between employer and employees is exclusive of the regular courts of justice.

In the Court of First Instance of Samar, on December 6, 1951, the Pambujan Sur United Mine Workers, a registered labor union, filed against the Samar Mining Company Inc. a complaint alleging breach of their closed-shop agreement, the pertinent portion of which read:

> "That the EMPLOYER (Samar Mining Co.) shall not employ any worker or workers for its mine operation without first consulting the UNION (Pambujan Sur United Mine Workers) through its authorized representatives, as to whether it could furnish the necessary workers that the employer may require from time to time for the mine, and in this event the union shall be given (3) days within which to produce the worker or workers needed by the employer, and if after this period the said labor organization can not produce the required worker or workers, the employer shall have the right to hire * * *."

The complaint, as amended, averred that, in violation of the agreement, defendant had been hiring and continued to hire permanent

workers who were not members of the plaintiff union, without consulting said union, nor giving it the three-day period for procuring laborers. Then it said that as result of the breach, the plaintiff had suffered damages amounting to P210,000. Wherefore it asked: that defendant be required to desist from again violating their covenant; that plaintiff be allowed to replace with its members those laborers already hired who are not members of the union; that defendant be ordered to pay damages in the sum of P210,000 and that other just and equitable remedies be granted. Attached to the complaint were copies of the Collective Bargaining Contract signed February 17, 1950 and its modification signed August 6, 1951, by plaintiff and defendant.

Summoned to answer, the mining company submitted in due time a motion to dismiss, on the ground that the court of Samar had no jurisdiction over the subject-matter, i.e., "differences as regards conditions of employment which is within the jurisdiction of the Court of Industrial Relations." The motion was supported by argument and citation of authorities. The plaintiff replied, in a memorandum, that in creating the Court of Industrial Relations, the law never meant "to supersede the function of the regularly created judicial courts etc."

The Hon. Emilio Benitez, judge, by order dated February 11, 1952, upheld the motion, and dismissed the complaint. Hence this appeal.

The issue stated at the beginning of this decision involves in reality two separate inquiries, to wit: (a) was the subject-matter of the complaint a question cognizable by the Court of Industrial Relations?; and (b) if so, is the jurisdiction of such court exclusive, or merely concurrent?[1]

The Court of Industrial Relations established by Commonwealth Act No. 103 has jurisdiction "over the entire Philippines to consider, investigate, decide and settle all questions, matters, controversies, or disputes arising between and/or affecting employers and employees or laborers, and landlords and tenants or farm-laborers, and regulate the relations between them" subject to the provisions of the Act (Section 1). The Act enjoins the court to "take cognizance for purposes of

prevention, arbitration, decision and settlement of any industrial or agricultural dispute causing or likely to cause a strike or lockout, arising from differences as regards wages * * * dismissals or suspension of employees * * * or conditions of tenancy or employment between the employers and employees * * * provided that the number of employees involved exceeds thirty, and such industrial or agricultural dispute is submitted to the court by the Secretary of Labor or by any or both of the parties to the controversy. (Section 4.)

In addition to the clause hereinbefore quoted, the Collective Bargaining Contract, attached to plaintiff's complaint, contains these stipulations:

> "2. Effective as of the enforcement of the Minimum Wage Law on August 6, 1951, the wages of laborers shall be, at least P3 per day, * * *;
>
> 3. An additional compensation of thirty per cent (30%) over the basic daily wage should be paid for night work, * * *;
>
> 4.
> "Tragedy compensation" or compensation according to the requirement of the Compensation Act, as hereinafter computed by the Bureau of Labor shall be paid by the Employer to the respective beneficiaries of the deceased workers, * * *;
>
> 5. Wage payments shall be regularly made once every forthnight, * * *,
>
> 6.
> Every worker who has heretofore rendered one year of continuous service is entitled to 18 days vacation leave with pay, * * *;
>
> 7. Every worker who has heretofore rendered one year of continuous service is entitled to 15 days sick leave with pay, * * *;
>
> 8.
> The employer does not tolerate any short-changing and will see to it that no member of supervision shall short-change any worker, * * *;

10. Thirty minutes of meal time shall be allowed for each shift, * * *

It is apparent from the foregoing that said contract embodies terms or conditions under which Samar Mining Company Inc. agreed to employ the Pambujan Sur United Mine Workers, and the latter agreed to work for said mining company. In the complaint it is alleged that the company refused to abide by the terms of the contract "in spite of the repeated written demands of the plaintiff" for compliance therewith. The matter was therefore a dispute—industrial because mining is industry —between employer and employees; and such dispute falls within the broad jurisdiction of the Court of Industrial Relations (Sec. 1, Commonwealth Act 103). And as the dispute arose from differences regarding "conditions of employment" of 350 members of the plaintiff union, actually in the employ of defendant, bitterness is likely to ensue, leading probably to a strike, and the Court of Industrial Relations is duty bound to assume cognizance of it at the request of any of the parties to the controversy (Sec. 4, Commonwealth Act 103). In this case the employer urges, and therefore requests, the intervention of the Court of Industrial Relations. So that, whether section 1 of Act 103 or section 4 is applied, the result is the same: the matter falls within the power of the Court of Industrial Relations.

But plaintiff-appellant argues that its purpose is to compel the defendant "to employ as its laborers only members of the union"; and therefore until those members are actually employed there is no employer-employee relationship to call for the Industrial Court's intervention. The argument forgets that the Union counts with 350 employees of the defendant, and the controversy is between such employees and the employer. Incidentally it may be noted that, as plaintiff seeks the dismissal of those workers hired in violation of the Collective Bargaining Contract, the differences further relate to "dismissals" of employees within the meaning of section 4 of Commonwealth Act No. 103.

That the controversy concerns more than 30 employees is clear. The Union has 350 member-employees and all are suing to enforce the

Collective Bargaining Contract. It is inaccurate to state that "the present action does not involve employees/laborers of the defendant company who are members of the plaintiff union, but its remaining unemployed members who should have been employed if not for the violation of the bargaining contract by the defendant." The action is by the Union; therefore all its members—whether actual employees or would-be employees—are affected.[2] The Members of the Union, who are actual employees have a vital interest in the fulfillment of the obligation resulting from the bargaining contract, specially the clause allegedly broken by defendant. Otherwise it would not have been inserted in the said contract.

Perhaps it is unnecessary to dwell at this time upon the significance and usefulness of collective bargaining agreements and closed-shop stipulations. Nevertheless it may be pointed out that "it lies at the very heart of 'labor-management' relations" and "the institution seems certain to grow, at least as long as there survives the political democracy whose achievement it has followed.[3] Indeed one of the four major policies of the Industrial Peace Act[4] recently approved, is to "advance the settlement of issues between employers and employees thru collective bargaining."[5]

Several controversies involving collective bargaining have been submitted for adjudication to the Court of Industrial Relations.[6]

Contrary to appellant's contention, the demand for damages is no obstacle to the Industrial Court's jurisdiction, such damages being evidently the wages lost to members of the Union, who should have been employed— but were not employed—by the defendant. It is undeniable that the Court of Industrial Relations has authority to require payment of such wages should it find the claim to be just or equitable.[7] For as appellee has emphasized in its brief, the court may include in its award *any matter* or determination which may be deemed necessary or expedient for the purpose of settling the dispute. (Sec. 13, Com. Act 103)

Therefore this court's opinion is that the issues tendered in the plaintiff's amended complaint fall within the alloted jurisdiction of the Industrial Court. This is not to say that *every* dispute

between employer and employees or between landlord and tenant must be brought to the Industrial Court. Some do not fall within its jurisdiction. For instance, where the number of employees affected does not exceed thirty.

There remains the question whether such jurisdiction is exclusive of Courts of First Instance.

The jurisdiction of a court is exclusive either by express declaration of the statute, or by clear implication from the provisions thereof.[8]

Commonwealth Act No. 103 with its amendments does not explicitly confer *exclusive* jurisdiction on the Industrial Court.

Unquestionably, Congress could have so directed, because it has, under the Constitution, power to apportion and diminish the jurisdiction of courts inferior to the Supreme Court. It has furthermore specific constitutional authority to regulate the relations between capital and labor[9] which naturally includes the power to establish an agency exclusively to handle labor controversies, subject, of course, to the revisory power of the Supreme Court. Congress did not in so many words declare the jurisdiction to be exclusive. Did it intend to make it exclusive?

For the settlement of labor disputes Commonwealth Act No. 103 gave the Industrial Court special powers, not ordinarily granted to courts of first instance, powers particularly adapted to the speedy and equitable settlement of the industrial or agricultural dispute.[10] For example:

> (*a*) *The* power to delegate investigation of the controversy to any board or person (Section 6);
>
> (*b*) The power to enforce its order by contempt proceedings (Section 6);
>
> (*c*)
> The power to hear in any suitable place, to refer the matter to an expert and accept his report as evidence (Section 7). Reference may

> also be made to a provincial fiscal, justice of the peace etc. (Section 10);
>
> (*d*) The power to require the services of any Government official or employee, without additional compensation (Section 11);
>
> (*e*) The power to act without regard to technicalities or legal forms or rules of legal evidence (Section 20);
>
> (*f*)
> And the authority to include in its decision or award any matter or determination which may be deemed necessary or expedient for the purpose of settling the dispute or preventing further disputes (Section 13).

And foreseeing the probability that the dispute will produce unrest, paralization of industrial production and economic hardship of the community, Commonwealth Act No. 103 has imposed on the disputants certain duties to be observed *pro bono publico* during the pendency of the matter before the Industrial Court: For instance, the duty of the employee not to strike or walk out of his employment, and the corresponding obligation of the employer to refrain from employing others and from discharging the employees engaged in fighting his acts or policies. These correlative obligations do not obtain where the debate is staged before ordinary courts.

Therefore, it would seem that public convenience will best be served by requiring the Industrial Court's intervention in labor-management controversies likely to cause strikes or lockouts. A unified policy and centralized administration is thereby insured, the more effectively to cope with probably explosive contingencies.

On the other hand, objectionable consequences are apt to flow from a ruling that reserves co-ordinate jurisdiction to the regular courts. The employees who desire to keep, aloft and threatening, labor's peculiar weapon (strike), or who contemplate the eventual use thereof, will elect recourse to the judiciary—not to the Industrial Court. The

same choice will be made by the employer who plans dismissal of some employees in the heat of the contest. And to complicate the situation, one party[11] might invoke the intervention of the Industrial Court to forestall the "strategic" move or hidden motives of the adversary. Even the Secretary of Labor could bring the issues to the Industrial Court.

Two plain propositions are thus made manifest: Congress had power to give exclusive jurisdiction to the Industrial Court; it is convenient that such jurisdiction be exclusive. And the resultant inference, rational and sound, is that Congress meant it to be exclusive, since the lawmaking body is presumed to have intended to do the right thing (article 10 New Civil Code).[12]

We have heretofore reached the same conclusion in a parallel situation. In Ojo et al. vs. Jamito et al.[13] we ruled that Act 461 granting to the Department of Justice jurisdiction to determine cases in which a tenant may be dispossessed by the landlord, *must be construed* to have taken those cases out of the general jurisdiction of the courts of first instance.

Indeed there are authorities to the effect that "where jurisdiction is conferred in express terms upon one court, and not upon another, it has been held that it is the intention that the jurisdiction conferred shall be exclusive."[14]

To be sure, as plaintiff discloses, several prominent American courts follow the opposite line of thought. But judicial wisdom in this particular matter would seem to favor adherence to the exclusion theory, what with the litigant's ordinary duty to exhaust administrative remedies and the "doctrine of primary administrative jurisdiction" sense-making and expedient,

"That the courts cannot or will not determine a controversy involving a question which is within the jurisdiction of an administrative tribunal prior to the decision of that question by the administrative tribunal, where the question demands the exercise of

sound administrative discretion requiring the special knowledge, experience, and services of the administrative tribunal to determine technical and intricate matters of fact, and a uniformity of ruling is essential to comply with the purposes of the regulatory statute administered." (42 Am. Jur., 698.)

Our construction of the legislative will to confer exclusive jurisdiction—particularly as to collective bargaining contracts—is confirmed by Republic Act No. 875 effective June 17, 1953. Entitled "An Act to Promote Industrial Peace" and designed partly to advance the settlement of issues between employers and employees thru collective bargaining, it expressly provides that the jurisdiction of the Court of Industrial Relations "shall be exclusive" to prevent "unfair labor practices," which term embraces a refusal to bargain collectively. (Section 4, paragraph 6) and termination or modification of the collective bargaining agreement (Section 13) including, inferentially, any breach or disregard of such agreement.

Wherefore, premises considered, the appealed order is hereby affirmed, with costs.

Paras, C. J., Pablo, Montemayor, Reyes, Jugo, Bautista Angelo, Labrador, and *Concepcion, JJ.,* concur.

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[1] Appellant says the issue was the jurisdiction of the lower court to entertain its complaint. Correct. But that issue depended upon the two points which this decision will examine and settle, with the aid of carefully prepared briefs and memoranda on both sides.

[2] Commonwealth Act 213, section 2.

[3] Francisco Labor Laws, p. 142 citing an article on Labor Management Relations in LXI Harvard Law Review;

[4] Republic Act No. 875 effective June 17, 1953.

[5] Sec. 1(c) Republic Act No. 875.

[6] Manila Oriental Sawmill vs. National Labor Union, 91 Phil., 28; Liberal Labor Union vs. Philippine Can Company, 91 Phil., 72.

[7] Cf. Bardwill Bros vs. Phil. Labor Union 40 Off. Gaz. No. 13, p. 185; Union of Phil. Education Employees vs. Phil. Education Co. 91 Phil., 93; Francisco Labor Laws p. 277.

[8] 21 C J. S., 730.

[9] Article XIV section 6, Constitution.

[10] It is "more an administrative board" whose function is "more active, affirmative and dynamic" than a court of justice. (Ang Tibay vs. Court of Industrial Relations, 69 Phil., 635).

[11] Note that *any party* to the dispute may request the Court's Aid.

[12] Decisive argument, years ago, in a famous theological debate: *Potuit, decuit, ergo fecit*. He could do it, it was proper to do it, therefore he did it.

[13] Suppl. No. 11, Vol. 46 Off. Gaz., p. 219; See also Pena vs. Arellano, same suppl. p. 228.

[14] 21 C. J. S., p. 730.

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