101 Phil. 896

[G. R. No. L-10333. July 25, 1957]

ASSOCIATED WATCHMEN AND SECURITY UNION (PTWO), CATALINO P. ROSALES AND ROBERTO OCA, PETITIONERS, VS. UNITED STATES LINES, AMERICAN PRESIDENT LINES, MACONDRAY & CO., ET AL., RESPONDENTS.

D E C I S I O N

LABRADOR, J.:

This action of certiorari seeks to set aside a writ of preliminary injunction issued by the Court of First Instance of Manila, Hon. Riginio B. Macadaeg, presiding, restraining the petitioner herein (a) from impeding, obrstructing, hampering or interfering with plaintiffs' (respondents herein) shipping business; (6) from intimidating, insulting, threatening, coercing and preventing persons desiring and intending to enter the pier gates and render service on plaintiffs' vessels; and (c) from picketing plaintiffs' vessels at the piers of the Manila South Harbor.

The above order was issued upon a complaint filed by the respondents, alleging that on February 18, 19S6, the petitioner labor union commenced picketing respondents' vessels docked at the various piers of the Manila South Harbor for the purpose of intimidating and coercing them to accede to their unlawful demands; that respondents are the shipping agents in the Philippines of various foreign and domestic shipowners and vessels that regularly call at the Port of Manila, and that as such agents they are in charge of provisioning, representing and attending to the needs of said vessels while at this port; that since 1951 respondents have individually contracted with several watchmen agencies, as independent contractors, to perform the work of guarding and protecting said vessels; that the watchmen are employed by the said agencies, and that their salaries are paid by said agencies and not by the respondents; that respondents have no authority to hire or dismiss said watchmen; that petitioners demanded that the respondents enter into a collective bargaining agreement with it, with regard to the employment of watchmen; that respondents refused to accede to said demands because they are not the

employers of said watchmen. The respondents, therefore, prayed that a writ of preliminary injunction issued against the petitioner upon their filing a bond. Upon the filing of a bond of P10,000 the Court of First Instance issued the writ of preliminary injunction.

It is the claim and contention of the petitioners before this Court that the refusal of the respondents to enter into a collective bargaining agreement with it is a labor dispute within the purview of Section 9, Republic Act 875, otherwise known as the Magna Charta of Labor, and that, therefore, the issuance of the writ of preliminary injunction without the requisites established by Section 9 thereof is beyond the jurisdiction of the respondent judge and that the writ is a complete nullity.

In answer to the above contention, respondents allege that the jurisdiction of the respondent judge to issue the writ of preliminary injunction is based on the allegations of the complaint; that there is no labor dispute between the petitioners and the respondent companies; that petitioners' picketing was not peaceful but was accompanied and characterized by violence, coercion, threats, intimidation and fraud; that there were no "amicable negotiations" between respondent and petitioner with respect to the terms, tenure or conditions of employment, etc., that there is no labor dispute between petitioner and respondents because there is no employer-employee relationship between them.

A cursory examination of the original petition filed in the court *a quo* discloses that the watchmen are employed by the respondents herein thru the watchmen agencies, and in order to justify the granting of the writ of preliminary injunction, care was made in the framing of the original petition in the court *a quo*, to allege that the watchmen were not employees of the respondents because of the existence of an agreement between respondents and the watchmen agencies that the watchmen should be employees of the latter and not the former. But no matter how studiously the complaint avoids stating that the watchmen employed by the steamship agencies are not their employees, because they are employees of the watchmen agencies, the stubborn fact remains that the said watchmen are ultimately working for the steamship agencies and ultimately paid for by the latter. It may have been true that these watchmen were contracted for by the watchmen agencies, but the fact remains that their services were availed of and their compensation paid by the steamship agencies, even if such were done thru the agencies and without the direct intervention of the steamship agencies.

The law expressly provides that a labor dispute exists "regardless of whether the disputants stand in the proximate relation of employer and employee." This is the express provision of Section 2 of Republic Act No. 875, which is as follows:

> "(j) The term 'labor dispute' includes any controversy concerning terms, tenure or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, "inamtaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether the disputants stand in the proximate relation of employer and employee. "* * *."

It is evident that a "labor dispute" existed between the watchmen, members of the petitioning union, and the steamship agencies, the respondents herein. The allegations in the original complaint filed in the court below that there is no relationship of employer and employee is a conclusion of law. As the watchmen were actually employed in watching and guarding the steamers, no amount of reasoning can deny the fact that they necessarily and actually work for the respondent steamship agencies. If their services were contracted for and are paid thru the watchmen agencies, the relationship may not have been proximate, but this fact can not belie the existence of the relationship of employer and employee, nor argue against the existence of a labor dispute.

> "An action may involve a 'labor dispute' within sections 101-115 of this title, notwithstanding that the dispute is not between employer and his own employees. Brown vs. Coumanis, CCA. Ala. .1943, 135 F. ad. 163, .146 A. L. R. 1241.)" (29 USCA 65.)
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> "The definitions of 'labor disputes' in this chapter must "be con- fined to the cases involving that exercise of freedom of action of employees dealt with by declared public policy of protecting1 employees in freedom of association and in designation of bargaining representatives. Donnelly Garment Co. vs. International Ladies Garment Workers' Union, D.C. Mo. 1938, 21 F. Supp. 807, vacated on other grounds 58 S.Ct. 875, 304 U.S. 243, 82 L. Ed. 1316, mandate conformed to 23 F. Supp. 998, reversed 99 F.2d 309, certiorari denied 59 S.Ct. 364, 305 U.S. 662, 83 L.Ed. 430.'" (Id. pp. 84-85.)
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> "The inclusion, in definition of term 'labor dispute' contained in this section of

> disputes between employers and employees and between labor unions and employers in addition to other controversies concerning terms or conditions of employment, indicated that this chapter was intended to embrace controversies other than those between employers and employees and those between labor unions and! employers. New Negro Alliance vs. Sanitary Grocery 'Co., 1988, 58 S.Ct. 703, 303 U.S. 552, 82 L.Ed. 1012." (Id. p. 85.)
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> "This chapter was intended to remove the barriers raised in former decisions of the Supreme Court of the United States which required the relationship of employer and employee in order to constitute a labor dispute and to provide that only an indirect interest was,necessary in order to include a party within the meaning of a labor dispute. Houston and North Texas Motor Freight Lines vs. Local Union No. 886 of International Brotherhood of Teamsters, Chauffeurs. Stablemen, and Helpers of America, D.C. Old. 1938, 24 F. Supp. 619." (Id., p. 86.)
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> "A 'labor dispute', within this, chapter, retains its character as such if it involves any question that refers to any of the terms and conditions of. employment or that might involve the betterment of any terms or conditions, and existence of labor dispute is not negatived by fact that plaintiffs and defendants do not stand in relation of employer and employee, or by the fact employees are altogether satisfied with conditions of employment. Petrucci vs. Hogan, 1941, 27 N.Y.S. 2d 718, 176 Misc. 140." (Id. p. 86.)

We find, therefore, that the court should have found that a labor dispute exists and should have proceeded in accordance with Section 9 of the Republic Act No. 875 before issuing an injuncton. In issuing the injunction without following the procedure outlined in said section, the court exceeded its jurisdiction.

Assuming, however, that it entertained doubt as 'to whether or not the relation of employer and employee exists between the petitioning union and the respondent steamship agencies, it was also an abuse of discretion on its part to have issued the injunction without hearing the parties and receiving evidence on the main issue. The necessity of a hearing is demanded by the fact that the existence or non-existence of a labor dispute determines the nature of the proceedings that must be followed in the issuance of an injunction. If a labor dispute exists then the provisions of the Magna Charta of Labor (R,

A. No. 875) should be strictly followed, as ruled by Us in various decisions (PAFLU, et al. vs. Tan, et al.[1] L-9115, prom. Aug. 31,1956; paplu, et al. .vs. Barot, et al., L-9281, prom. Sept. 28, 1956) ; and on the other hand, if no labor dispute exists then the court may issue an ordinary injunction in accordance with the Rules of Court. The policy of social justice guaranteed by the Constitution demands that when cases appear to involve labor disputes courts should take care in the exercise of their prerogatives and discretion. Only in that way can the policy enunciated in the Constitution be carried out. We hold that it is evident that the trial judge abused its discretion when it granted the writ of preliminary injunction without previous investigation as to whether or not a labor dispute exists within the meaning of the Magna Charta of Labor.

The order of the trial court granting the writ of pre- liminary injunction having been issued in excess of jurisdiction and with grave abuse, of discretion, the same is hereby set aside, and the writ of preliminary injunction issued in favor of the petitioners in this Court is hereby declared permanent. With costs against respondent steamship agencies.

Paras, C. J., Bengzon, Padilla, Montemayor, Reyes, A., Bautista Angelo, Conception., Reyes, J. B. L., Endencia and *Felix, J.J.,* concur.

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[1] 99 Phil. , 854, 52 Off. Gaz., [13] 5836

[2] 99 Phil., 1008.

Date created: October 13, 2014