

Title: Luzon General Merchandising Company and Mariano Garcia vs. Court of Industrial Relations, et al.

Facts:

Luzon General Merchandising Company, led by Mariano Garcia, faced collective bargaining demands from its workers, united under Luzon General Merchandising Workers Union - ILMUP. Despite several negotiation sessions, the parties failed to come to an agreement, as none of the workers' demands were met. Consequently, the workers went on strike, which remained peaceful. On July 10, 1968, an agreement was reached for a consent election to be held on July 13, 1968, allowing workers to return to their jobs within 48 hours. All pending cases between the parties would be withdrawn under the same agreement. However, the company failed to honor the agreement, and workers were not reinstated. Instead, workers were informed they were dismissed when they attempted to return to work. As a result, no consent election took place, indicating bad faith on the part of the company. The case went to the Court of Industrial Relations (CIR), which found the company guilty of unfair labor practice. The company then appealed to the Supreme Court of the Philippines.

Procedurally, upon finding the company's actions as unfair labor practice, the respondents filed a complaint with the CIR. In response to the ruling, the petitioners sought review from the Supreme Court on procedural due process grounds, questioning the decision of the CIR.

Issues:

1. Whether the petitioner company committed unfair labor practice by refusing to reinstate the workers, thereby breaching the agreement for a consent election.
2. Whether the CIR's decision to order reinstatement with back wages until actual reinstatement complied with procedural due process.
3. Whether the stipulation for individual complainants to testify only for themselves and not on behalf of others was permissible.
4. The proper computation of back wages for the unfairly terminated employees.

Court's Decision:

The Supreme Court affirmed the decision of the CIR with a modification regarding the back wages. The Court rejected the procedural due process challenge and confirmed that petitioners were guilty of unfair labor practices, with the failure to reinstate workers representing bad faith.

1. The Court noted that the petitioner's refusal to reinstate the workers after the agreement

was a clear violation and amounted to an unfair labor practice.

2. The Supreme Court disregarded the petitioner's argument on the procedural due process ground, emphasizing the substantial evidence supporting the CIR's findings.

3. The Court held that the stipulation that complainants could only testify for themselves was contrary to existing jurisprudence and the mandate of the CIR to act according to justice and equity, ignoring technicalities.

4. The Court clarified the computation of back wages to be at a fixed rate of three years' worth of wages, without deductions or the need to examine company records.

Doctrine:

The Supreme Court reiterated several doctrines:

- The finding of facts by a labor tribunal, if supported by substantial evidence, is highly respected and nearly conclusive.
- The commission of unfair labor practice is condemned and remedied by reinstatement with back wages.
- Findings of labor tribunals must conform to justice and equity, ignoring technicalities.
- In unfair labor practice cases, the amount of back wages awarded may be set at a fixed rate without the need for an exhaustive examination of records.

Class Notes:

- Unfair Labor Practice: Engaging in actions that interfere with the labor rights of workers, such as not reinstating workers per an agreement.
- Substantial Evidence: Evidence that is sufficient to support the findings of a labor tribunal.
- Fixed Rate for Back Wages: In unfair labor practice cases, a sum equal to three years' worth of wages may be awarded to affected workers without deductions.
- Procedural Due Process in Labor Cases: Labor tribunals need not adhere to technical rules of legal evidence; their decisions must be just and equitable.

Historical Background:

This case underscores the tumultuous nature of labor relations during the era and the judiciary's role in enforcing industrial peace. The Supreme Court's decision serves as a historic affirmation of the court's commitment to protect the rights of workers against unfair labor practices by employers, while also simplifying remedies to avoid protracted litigation over the computation of back wages. The case reflects the tensions between labor and management and the developing jurisprudence surrounding labor disputes and workers' rights in the Philippines.