

Title:

Davao Integrated Port Stevedoring Services vs. Ruben V. Abarquez and the Association of Trade Unions (ATU-TUCP)

Facts:

Davao Integrated Port Stevedoring Services (petitioner) and the Association of Trade Unions (ATU-TUCP) (respondent) had a collective bargaining agreement (CBA) which granted sick leave with pay benefits to its employees. This CBA, first entered into on October 16, 1985, was renewed on April 15, 1989, extending sick leave benefits to include additional workers. From the start of the original CBA until three months after the renewal, intermittent field workers who met certain service hour thresholds were granted these sick leave benefits, including commutation (conversion to cash) of unenjoyed sick leave.

However, under new management, the company ceased the commutation of unenjoyed sick leaves for intermittent workers, which led the Union to file a complaint for enforcement of the CBA through voluntary arbitration before the National Conciliation and Mediation Board, Regional Arbitration Branch XI in Davao City. Both parties agreed on Ruben V. Abarquez as the Voluntary Arbitrator. After reviewing position papers from both sides, Abarquez issued an Award favoring the Union, directing the continuation of the sick leave commutation as per the CBA. The petitioner disagreed with the Award, leading to the filing of this petition for certiorari to reverse Abarquez's decision.

Issues:

The primary legal issue revolved around whether intermittent field workers are entitled to the commutation of the unenjoyed portion of their sick leave with pay benefits under the CBA.

Court's Decision:

The Supreme Court dismissed the petition and affirmed the Award issued by the Voluntary Arbitrator, Ruben V. Abarquez. It reasoned that a CBA is not merely a contract but is also imbued with public interest, necessitating a liberal interpretation in favor of the common good. The decision emphasized that the provisions of the CBA concerning sick leave benefits for regular non-intermittent workers and intermittent field workers must be read together. Furthermore, the Court held that the commutation of unenjoyed sick leave had become a company practice that could not be unilaterally withdrawn by the petitioner. Therefore, the Voluntary Arbitrator did not commit a grave abuse of discretion in his decision.

Doctrine:

This case reiterates the principle that a Collective Bargaining Agreement (CBA) must be interpreted liberally rather than narrowly, considering the context in which it is negotiated and the purpose it serves. It highlights the doctrine that benefits already extended to workers cannot be unilaterally withdrawn by the employer, especially when such benefits have, through consistent practice, become part of the employment package.

Class Notes:

- **Collective Bargaining Agreements (CBAs)**: Legally binding agreements between an employer and a union representing the employees, covering terms of employment and worker benefits. CBAs must be interpreted liberally to serve the common good.
- **Sick Leave Commutation**: The process of converting unenjoyed sick leave into cash. Once granted as a benefit, it cannot be unilaterally withdrawn by an employer if it has become a company practice.
- **Interpretation of Employment Contracts**: When interpreting provisions regarding employee benefits, a practical and realistic construction that supports the efficacy of the agreement should be adopted.

Historical Background:

This case underscores the evolving nature of labor relations and the interpretation of labor laws in the Philippines. It highlights the critical role of CBAs in defining the terms and benefits of employment, especially in sectors with unique employment patterns such as stevedoring. The decision reinforces the protective mantle labor laws provide to workers, ensuring that benefits once extended cannot be easily retracted, thereby promoting stability and fairness in labor relations.