

Title: General Milling Corporation vs. Hon. Court of Appeals and Others

Facts:

General Milling Corporation (GMC), operating in Cebu City and Lapu-Lapu City, Philippines, employed 190 workers who were members of the General Milling Corporation Independent Labor Union (GMC-ILU), the certified bargaining agent. On April 28, 1989, GMC and GMC-ILU entered into a collective bargaining agreement (CBA) effective retroactively from December 1, 1988, to November 30, 1991. On November 29, 1991, GMC-ILU proposed a new CBA, requesting a counter-proposal within ten days. However, following worker withdrawals from the union due to religious and personal reasons received since October 1991, GMC concluded that GMC-ILU lacked standing to negotiate and did not submit a counter-proposal. Subsequent communications from both sides failed to resolve the standstill. The situation escalated when GMC dismissed a union member for incompetence on January 13, 1992, and the union's grievance was effectively ignored by GMC, referencing their previous correspondence questioning the union's existence.

The union filed a complaint against GMC for unfair labor practice with the National Labor Relations Commission (NLRC), which was initially dismissed, suggesting a certification election to determine the union's support. The union appealed, and the NLRC, citing Article 253-A of the Labor Code, as amended, reversed the labor arbiter's decision, mandating GMC to abide by the proposed CBA terms and pay attorney's fees. This decision was later set aside by the NLRC upon GMC's motion for reconsideration, leading the union to seek certiorari from the Court of Appeals. The appellate court reinstated the NLRC's original decision, excluding the attorney's fees award, which GMC challenged.

Issues:

1. The determination of whether GMC violated the duty to bargain collectively.
2. The existence of interference by GMC in the employees' right to self-organization.
3. The appropriateness of imposing on GMC the draft CBA proposed by the union.

Court's Decision:

The Supreme Court affirmed the appellate court's decision, holding that GMC committed unfair labor practice by refusing to negotiate in good faith and by interfering with the employees' right to self-organization. The imposition of the draft CBA was deemed justified due to GMC's actions that contravened its duty to bargain collectively. This fulfillment of duty as mandated by the Labor Code is crucial for industrial peace.

Doctrine:

The decision reinforced the doctrine that the representation provision of a CBA should last for five years, with parties required to renegotiate any agreement in good faith. A refusal to submit a counter-proposal constitutes an unfair labor practice. Moreover, any actions taken to deliberate obstruct collective bargaining or to interfere with employees' organizational rights amount to unfair labor practice.

Class Notes:

- Duty to Bargain Collectively: Under Article 253-A and 252 of the Labor Code, both parties must engage promptly and in good faith in negotiating an agreement. Failure to respond to negotiation proposals is considered bad faith and a violation of this duty.
- Unfair Labor Practice: Acts violating the duty to bargain collectively or interfering with employees' right to self-organization constitute unfair labor practice.
- Legal Outcome for Non-compliance: Employers failing to fulfill their duty to bargain collectively may lose the right to partake in defining the CBA's terms, and provisions proposed by a union may be unilaterally imposed.

Historical Background:

This case reflects the broader context of labor rights and collective bargaining in the Philippines, where the legal framework seeks to balance the interests of labor and management. The implementation of the Labor Code, especially provisions related to collective bargaining and unfair labor practices, demonstrates the state's interest in maintaining industrial peace and protecting workers' rights against employer overreach. The decision in this case underscores the judiciary's role in enforcing these principles and ensuring fairness and equity in labor relations.