

Title:

****Kiok Loy vs. National Labor Relations Commission and Pambansang Kilusan ng Paggawa: A Landmark Case on Unfair Labor Practice and Duty to Bargain****

Facts:

The Pambansang Kilusan ng Paggawa (KILUSAN), a legitimate labor federation, was certified as the sole and exclusive bargaining agent for the rank-and-file employees of the Sweden Ice Cream Plant (owned by Kiok Loy) on November 29, 1978, after winning a certification election on October 3, 1978. The Company's motion for reconsideration was denied on January 25, 1978. On December 7, 1978, KILUSAN requested the Company to engage in collective bargaining and submitted a proposed collective bargaining agreement (CBA). After receiving no response, KILUSAN reiterated their request, which was again ignored by the company. Consequently, KILUSAN filed a "Notice of Strike" due to unresolved economic issues in bargaining on February 14, 1979. The Bureau of Labor Relations initiated conciliation proceedings, which failed, leading to compulsory arbitration by the National Labor Relations Commission (NLRC). The labor arbiter's hearings were characterized by various postponements and lack of response from the Company. Despite being given opportunities to submit its position paper and counter proposals, the Company failed to engage meaningfully in the bargaining process. The NLRC, on July 20, 1979, declared the Company guilty of unjustified refusal to bargain and adopted KILUSAN's draft CBA as the governing agreement between the parties.

Issues:

1. Whether the Company was guilty of unfair labor practice due to unjustified refusal to bargain.
2. Whether the NLRC acted within its jurisdiction in adopting KILUSAN's draft CBA as the governing collective bargaining agreement.
3. Whether the Company's right to procedural due process was violated.

Court's Decision:

The Supreme Court upheld the NLRC's decision, affirming that the Company was guilty of unjustified refusal to bargain. The Court noted that the Union was a duly certified agent, that it had made a clear request for bargaining, and that the Company failed to respond or make counterpropositions. The Company's conduct indicated a lack of sincere desire to negotiate, constituting unfair labor practice under Article 249 (g) of the Labor Code. Furthermore, the Court dismissed the Company's claim of violation of procedural due process, citing the repeated postponements and failures to submit required documentation

as sufficient opportunities given to the Company to present its case. The Supreme Court held that the NLRC had jurisdiction and acted within it in adopting the CBA, emphasizing that the labor arbiter and the NLRC are mandated to resolve labor disputes, including the determination of the reasonableness of the terms and conditions of employment.

Doctrine:

This case reiterates the doctrine that companies are under a legal obligation to bargain in good faith with the duly certified bargaining agent of their employees. Failure to respond to requests for collective bargaining and to engage in the process constitutes unfair labor practice. The decision also highlights the broad discretionary power of the NLRC in resolving labor disputes and enforcing labor laws, including the approval and adoption of collective bargaining agreements.

Class Notes:

- **Unfair Labor Practice**: Refusal to bargain in good faith with the representatives of employees.
- **Duty to Bargain**: The legal obligation of employers and employees' representatives to negotiate terms and conditions of employment in good faith.
- **Collective Bargaining Agreement (CBA)**: A contract between the employer and the union representing the employees, outlining wages, hours, and working conditions.
- **Jurisdiction of NLRC**: The authority to resolve labor disputes, including unfair labor practices and CBA issues.
- **Procedural Due Process in Administrative Proceedings**: The requirement for the opportunity to be heard, including sufficient notice, the opportunity to submit evidence, and the right to representation.

Historical Background:

This case took place during a period of significant labor unrest and evolving labor laws in the Philippines, highlighting the struggles between labor unions seeking to assert their rights and employers navigating the complexities of collective bargaining. It exemplifies the enforcement of the then-new Labor Code's provisions on collective bargaining and unfair labor practices, aimed at promoting industrial peace and protecting workers' rights.