

### ### Title

Liberal Labor Union vs. Philippine Can Company: A Case on the Legality of a Strike and the Importance of Adhering to Collective Bargaining Agreements

### ### Facts

The case revolves around a dispute that emerged between the Liberal Labor Union (petitioner) and the Philippine Can Company (respondent) following a collective bargaining agreement entered into on February 26, 1949. The agreement included a procedure for settling disputes, initiating with a submission to a grievance committee followed by escalation to higher levels if unresolved. Immediately after the agreement's conclusion, the respondent made a wage reduction for seven laborers, prompting a series of protests by the union. Expected to follow the grievance procedure, the union struck on March 14, 1949, due to the respondent's failure to appoint its representatives to the grievance committee, thereby rendering the procedure inapplicable.

This action led to a petition filed by the union in the Court of Industrial Relations, seeking a declaration that the strike was legal and requesting wage restoration and compensation for the reductions. However, the court initially deemed the strike legal, justified by the respondent's failure to adhere to the grievance procedure. Upon reconsideration, this judgment was reversed, ruling the strike illegal for not following the agreed upon dispute resolution process, justifying the respondent's decision not to rehire those involved in the strike.

### ### Issues

The core legal issue revolves around the legality of the strike staged by the union and whether the failure to follow the complete grievance procedure as outlined in their collective bargaining agreement justified the union's direct action.

### ### Court's Decision

The Supreme Court affirmed the resolution of the Court of Industrial Relations, declaring the strike illegal. This decision was based on multiple grounds. Firstly, it emphasized the necessity of adhering to the agreed-upon grievance procedure despite the respondent's failure to appoint its representatives, suggesting other avenues for resolution were available, including escalation to higher management or directly to the Court of Industrial Relations. Moreover, the court highlighted that the strike involved acts of coercion, intimidation, and physical violence, fundamentally undermining the purpose of law-facilitated, peaceful dispute resolution. Consequently, the court ruled in favor of

maintaining the resolution that prohibited the striking workers from being rehired, anchoring its decision on both procedural and behavioral grounds.

### ### Doctrine

This case reinforces the doctrine that collective bargaining agreements are binding and must be adhered to by both parties involved. It specifically underlines the importance of following outlined grievance procedures before resorting to strikes or other acts of direct action. Additionally, the decision emphasizes that strikes involving violence or intimidation are inherently illegal and contrary to the goal of peaceful labor dispute resolution.

### ### Class Notes

- **Collective Bargaining Agreements (CBAs):** Legally binding contracts between employers and employees (represented by their union) outlining wages, hours, and working conditions, and dispute resolution procedures.
- **Grievance Procedure:** A step-by-step process agreed upon in the CBA for resolving disputes or complaints, from lower-level resolution efforts to potentially involving external arbitration or legal action.
- **Legality of Strikes:** Strikes are considered illegal if they violate specific terms in a CBA, particularly when the agreed-upon dispute resolution procedure is not followed or when carried out with violent conduct.
- **Relevant Legal Provisions:** The case underscores the enforcement of CBAs under Philippine labor laws and the authority of the Court of Industrial Relations in adjudicating labor disputes.

### ### Historical Background

This case is set in the context of post-World War II Philippines, a period characterized by intensifying labor movements and the formation of labor unions seeking better working conditions and rights. The specifics of the case illustrate the evolving legal framework supporting collective bargaining and peaceful dispute resolution mechanisms in the Philippines, aiming to balance labor and management interests while maintaining industrial peace.