

****Title:**** Marsman & Co., Inc. vs. Consolidated Labor Association of the Philippines

****Facts:****

This case concerns unfair labor practices charged against Marsman & Co., Inc. (“the Company”) by sixty-nine officers and members of the Marsman & Company Employees and Laborers Association (“MARCELA” or “the Union”). The charge, initiated by the Confederation of Labor Associations of the Philippines (“CLAP”) to which MARCELA was affiliated, followed a series of events starting with collective bargaining failure, leading to a strike, and the subsequent refusal by the Company to reinstate the complainants based on their union activities.

Key events leading up to the Supreme Court proceedings include:

- On December 23, 1953, MARCELA was named as the bargaining agent for the employees in regard to rates of pay and employment conditions.
- After failed collective bargaining attempts, MARCELA filed a notice of strike on April 8, 1954, and declared a strike on June 4, 1954.
- The Company and the Union entered negotiations mediated by the Department of Labor, leading to an initial agreement for the strikers to return to work, which the Company later reneged on for the complainants, citing their active union membership as the reason.
- Attempts by the complainants to be reinstated were consistently refused by the Company, leading to the allegation of unfair labor practices and the initiation of the legal battle in the Court of Industrial Relations, which found the Company guilty of unfair labor practice and ordered the reinstatement of 60 employees without backpay.

****Issues:****

1. Whether the company committed unfair labor practices by refusing to reinstate complainants based on their union activities.
2. The entitlement of the reinstated employees to backpay.
3. The legality and character of the strike initiated by MARCELA.

****Court’s Decision:****

The Supreme Court affirmed the decision of the Court of Industrial Relations, upholding that Marsman & Co., Inc. committed unfair labor practices by refusing to reinstate the complainants based on their active union membership. The Court denied the claim for backpay, considering the overall climate of violence associated with the strike, despite acknowledging the right of complainants to reinstatement given the shift in the strike’s nature from an economic to an unfair labor practice strike.

****Doctrine:****

1. An economic strike may legally transition to an unfair labor practice strike if the employer engages in acts that discriminate against employees on the basis of union activities.
2. While employees participating in an economic strike may not be entitled to backpay, employers are obliged to reinstate such employees unless they have hired permanent replacements.
3. Discrimination against employees based on union activities constitutes unfair labor practice.

****Class Notes:****

- Economic Strike vs. Unfair Labor Practice Strike: An economic strike revolves around negotiation for better wages or employment conditions, whereas an unfair labor practice strike occurs due to employer malpractices discouraging union activities.
- Reinstatement without backpay: In unfair labor practice cases, the Court may order the reinstatement of employees without necessarily granting backpay, especially when there's a climate of violence or unrest.
- Employer's Right to Hire during Strikes: Employers can hire replacements during an economic strike but must reinstate employees who offer to return unless permanent replacements have been hired.
- Discrimination based on Union Activities: Acts by employers to discriminate or penalize employees based on their union activities are deemed unfair labor practices under law.

****Historical Background:****

This case highlights the complexities of labor relations in the Philippines during the mid-20th century, particularly the struggle between labor unions seeking to advocate for workers' rights and companies' attempts to navigate economic and operational challenges. The legal battle underscores the balancing act between protecting employees' rights to collective bargaining and union activities, and the employers' prerogatives in managing their operations amidst labor disputes.