

****Title:**** Leyte Geothermal Power Progressive Employees Union v. Philippine National Oil Company-Energy Development Corporation, G.R. No. 167057, January 31, 2012

****Facts:****

Energy Development Corporation (respondent) is a government-controlled corporation engaged in geothermal energy production. Led by Leyte Geothermal Power Progressive Employees Union (petitioner), employees working at the Greater Tongonan Geothermal Reservation in Leyte were hired under project contracts. As the Leyte Geothermal Power Project neared completion in 1998, respondent served termination notices to the petitioner's members, leading to petitioner filing a Notice of Strike with the Department of Labor and Employment (DOLE) due to accusations of unfair labor practices including "refusal to bargain collectively, union busting, and mass termination." A strike was subsequently held on December 28, 1998.

DOLE Secretary Bienvenido E. Laguesma attempted to mediate the situation, certifying the labor dispute to the National Labor Relations Commission (NLRC) and ordering workers to return to work. When this negotiation failed, the respondent filed a compliant for the illegality of the strike, along with a request to cancel the petitioner's registration with DOLE. The NLRC, after consolidating the cases, declared the termination lawful, the strike illegal, and dismissed their unfair labor practice claims. The decision was appealed but affirmed by the Court of Appeals (CA). Consequently, petitioner brought the case before the Supreme Court.

****Issues:****

1. Whether the officers and members of petitioner union are project employees or regular employees.
2. Whether the termination of these employees was lawful given the project's completion.
3. Whether the strike conducted by the union was illegal.
4. Whether or not the company's actions constituted union-busting.

****Court's Decision:****

1. ****Project vs. Regular Employees:**** The Supreme Court affirmed that the petitioner's members were project employees. The employment duration and specific projects to which employees were assigned were pre-determined and each worker had acknowledged these terms. Under Article 280 of the Labor Code, project employees could be lawfully terminated upon project completion, establishing these employees were not regular employees despite continuous work without intervals.

2. **Termination Legality:** The completion of the project validated their employment termination. The contractual agreements clearly stated that employment was tied to project completion, which was mutually understood and accepted.

3. **Legality of the Strike:** The Court found the strike illegal due to non-compliance with mandatory legal requisites, including failure to conduct a strike vote, observe the cooling-off period, and the 7-day strike ban after submitting the strike vote. Despite contentions from the petitioner that there was no actual work stoppage, evidence showed the union indeed conducted and declared a strike.

4. **Union Busting:** Since the employment was project-based and the project ended, the dismissals were not aimed at union busting but were an expected consequence of project completion as stipulated in their contracts.

Doctrine:

1. **Project vs. Regular Employment:** Employment classification depends on the nature and stipulations of the job at the time of hiring. Project employment is valid where employees are hired for a specific project with a set duration and termination predetermined at hiring.

2. **Legality of Strikes:** Strikes must adhere to stringent procedural requirements like conducting a strike vote and observing cooling-off periods, according to Article 263 of the Labor Code.

Class Notes:

1. **Project Employees:** Defined under Article 280 of the Labor Code; hired for a specific project or phase which ends upon completion.

2. **Strike Legal Requisites:** Under Article 263, proper protocol including strike vote, cooling-off period, and duly notifying the Department of Labor must be observed.

3. **Due Process:** Even project employees must be aware and acknowledge the terms under which their employment can be terminated.

4. **Factual Findings Binding:** Supreme Court usually upholds factual findings of NLRC and CA unless evidence shows inconsistency.

Historical Context:

This case underscores the tension between labor rights and project-based employment, emphasizing the procedural strictness required for strikes and authenticating project contracts in the Philippines' labor laws. It reflects the judiciary's role in upholding

contractual agreements and balances employee protection with practical business needs, impacting labor law applications and union strategies within government-owned enterprises.