

### ### Title

**\*\*Philippine Skylanders, Inc., et al. vs. National Labor Relations Commission, et al.\*\***

### ### Facts

In November 1993, the Philippine Skylanders Employees Association (PSEA), affiliated with the Philippine Association of Free Labor Unions (PAFLU), won a certification election among rank and file employees of Philippine Skylanders, Inc. (PSI). The rival union, PSEA-WATU, protested the results to the Secretary of Labor.

PSEA later disaffiliated from PAFLU, alleging PAFLU's dereliction of duty, and joined the National Congress of Workers (NCW), renaming itself PSEA-NCW. PSI recognized this new affiliation and entered into a collective bargaining agreement with PSEA-NCW, which was registered with the Department of Labor.

PAFLU, having believed PSEA was still affiliated with them, requested PSI's audited financial statement to start collective bargaining, but PSI refused citing PSEA's disaffiliation. PAFLU, agitated by this, filed unfair labor practice complaints against PSI, its president Mariles Romulo, and personnel manager Francisco Dakila for refusal to bargain and interference with union activities.

PAFLU later amended the complaint to include elected officers of the original PSEA, alleging they colluded with PSI. PSI and PSEA-NCW moved to dismiss the complaint arguing jurisdictional issues and PAFLU's lack of standing, but the Labor Arbiter ruled in favor of PAFLU, declaring PSEA's disaffiliation invalid, and ordered PSI and others to pay damages.

PSI and PSEA-NCW appealed to the National Labor Relations Commission (NLRC) which upheld the Labor Arbiter's decision. Motions for reconsideration were denied, prompting PSI and PSEA-NCW to file petitions for certiorari with the Supreme Court.

### ### Issues

1. **\*\*Validity of PSEA's Disaffiliation\*\***: Can a local union like PSEA validly disaffiliate from its mother federation PAFLU while an election protest questioning its status is pending?
2. **\*\*Jurisdiction Over Inter-Union Disputes\*\***: Should the Labor Arbiter have jurisdiction over the dispute which involves inter-union conflicts?
3. **\*\*Personality to File Complaint\*\***: Does PAFLU have the standing to file unfair labor practice complaints on behalf of PSEA members who have disaffiliated?
4. **\*\*Validity of Collective Bargaining Agreement\*\***: Is the collective bargaining agreement between PSI and PSEA-NCW valid despite the disputed disaffiliation?

### ### Court's Decision

#### **\*\*Validity of PSEA's Disaffiliation\*\***

The Supreme Court held that PSEA's disaffiliation from PAFLU was valid. A local union has the right to disaffiliate from its mother federation as it is a separate and voluntary association mainly created by the will of its members. There were no rules in PAFLU's constitution explicitly prohibiting disaffiliation. The overwhelming support from 111 out of 120 union members (92.5%) further validated the disaffiliation.

#### **\*\*Jurisdiction Over Inter-Union Disputes\*\***

The Court ruled that inter-union disputes fall within the jurisdiction of the Bureau of Labor Relations (BLR), not the Labor Arbiter. Nevertheless, the Supreme Court decided to resolve the matter to avoid further delays and confirmed PSEA's right to disaffiliate.

#### **\*\*Personality to File Complaint\*\***

The Court held that PAFLU no longer had the authority to represent PSEA members post-disaffiliation. PSEA, as an independent union, maintained its own personality, and PAFLU could not act on their behalf without their consent.

#### **\*\*Validity of Collective Bargaining Agreement\*\***

Given the valid disaffiliation, the collective bargaining agreement between PSI and PSEA-NCW was considered valid. Without any expiring or pending restrictions, PSEA-NCW had the authority to represent its members in collective bargaining.

### ### Doctrine

**\*\*Local Union's Right to Disaffiliate\*\***: A local union has an inherent right to disaffiliate from its mother federation, provided there are no express prohibitions in the federation's constitution or by-laws, underpinned by constitutional freedom of association.

### ### Class Notes

- **\*\*Disaffiliation\*\***: Local unions can disaffiliate from federations to serve their members' interests, protected by freedom of association.
- **\*\*Jurisdiction\*\***: Inter-union disputes fall under the Bureau of Labor Relations, not Labor Arbiters.
- **\*\*Agency Principle\*\***: Federations act as agents of local unions and cannot independently override the will of the local union members.
- **\*\*CBA Sanctioning\*\***: Collective bargaining agreements require the valid representation of union members which can be influenced by affiliation status.

- **Relevant Legal Statutes**:
- **Article 243 of the Labor Code**: Discusses the right to self-organization.
- **Book V, Rules Implementing the Labor Code**: Covers inter-union disputes and their proper jurisdiction.

### ### Historical Background

This case is rooted in the labor movement's struggles in the Philippines, where local unions sought autonomy from national federations to better serve their members. The decision highlighted the evolving nature of labor relations, where local entities demanded more control and direct representation. This shift mirrored the global trend towards decentralized unionism and stronger local representation, reflecting broader societal changes in labor rights advocacy during the late 20th century.