

### Toyota Motor Philippines Corporation vs. Toyota Motor Philippines Corporation Labor Union and the Secretary of Labor and Employment

\*\*Citation\*\*: 335 Phil. 1045

\*\*Court\*\*: Supreme Court of the Philippines, First Division

\*\*Date of Decision\*\*: [Provide the date]

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#### Facts:

1. **Initial Petition**: On November 26, 1992, Toyota Motor Philippines Corporation Labor Union (TMPCLU) filed a petition for certification election with the Department of Labor and Employment (DOLE) seeking to represent the rank-and-file employees of Toyota Motor Philippines Corporation (TMP).
2. **Position Paper**: On February 23, 1993, TMP submitted a position paper arguing that TMPCLU lacked the legal personality to file the petition as it was not yet a legitimate labor organization. Additionally, TMP claimed the union improperly included both rank-and-file and supervisory employees.
3. **Med-Arbiter's Order**: Med-Arbiter Paterno D. Adap dismissed the petition on March 8, 1993, finding that the union's membership mix violated Article 245 of the Labor Code and that TMPCLU was not a legitimate labor organization when it filed the petition.
4. **Appeal to the Secretary of Labor**: TMPCLU appealed, and Undersecretary Bienvenido E. Laguesma issued a resolution on November 9, 1993, overturning the Med-Arbiter's decision and ordering a certification election.
5. **Motion for Reconsideration and Remand**: TMP filed a motion for reconsideration, reiterating their claims. On July 13, 1994, the Secretary remanded the case to the Med-Arbiter for further fact-finding.
6. **Findings of Med-Arbiter**: The Med-Arbiter, on September 28, 1994, concluded that TMPCLU could not have been granted a certificate of registration by November 24, 1992, thus lacking legal personality during the filing of the petition.
7. **Subsequent Actions**: Despite the Med-Arbiter's findings, on April 20, 1996, the

Secretary of Labor again directed the certification election. TMP's motion for reconsideration was denied on July 14, 1995.

8. **Petition for Certiorari**: TMP filed a special civil action for certiorari under Rule 65, claiming grave abuse of discretion by the Secretary of Labor in reversing the Med-Arbiters' findings.

**Issues:**

1. **Whether the respondent union TMPCLU had the legal personality to file the petition for certification election at the time of its filing.**
2. **Whether the inclusion of both rank-and-file and supervisory employees in the union invalidates its status as a legitimate labor organization.**

**Court's Decision:**

The Supreme Court resolved the issues as follows:

1. **Legal Personality of TMPCLU**:

- The Court held that TMPCLU lacked legal personality as it could not have been issued a registration certificate by November 24, 1992, given the procedural requirements for union registration. The Med-Arbiter's findings were deemed correct and factual, discrediting TMPCLU's legitimacy at the time of petition filing.

2. **Inclusion of Supervisory Employees**:

- Under Article 245 of the Labor Code, mixing rank-and-file and supervisory employees in one union is prohibited. TMPCLU included at least 27 supervisory employees in Level Five positions, establishing that the union could not legally represent both groups. This resulted in the union lacking the requisite personality to file for a certification election.

The Supreme Court reinstated the Med-Arbiter's September 28, 1994 order dismissing TMPCLU's petition, thereby granting TMP's petition.

**Doctrine:**

- **Separation of Bargaining Units**: Article 245 of the Labor Code mandates that rank-and-file employees and supervisory employees must belong to separate unions due to their differing interests.

- **Union Legitimacy Requirement**: A union must possess a certificate of registration to attain the status of a legitimate labor organization and the corresponding rights, including

filing a petition for a certification election.

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#### #### Class Notes:

##### **\*\*Key Elements/Concepts\*\*:**

- **\*\*Article 245, Labor Code\*\*:** Ineligibility of supervisory employees to join rank-and-file unions.
- **\*\*Certification Election\*\*:** Procedure to determine the exclusive bargaining representative for employees.
- **\*\*Legitimate Labor Organization\*\*:** A union must be registered to file petitions and engage in collective bargaining.
- **\*\*Supervisory vs. Rank-and-File Employees\*\*:** Differentiation based on roles and responsibilities under the Labor Code.

##### **\*\*Relevant Legal Provisions\*\*:**

- **\*\*Article 245, Labor Code\*\*:** “Supervisory employees shall not be eligible for membership in a labor organization of the rank-and-file employees...”

##### **\*\*Application\*\*:**

- The court emphasized the need for clear separation of different employee types within unions to preserve their distinct collective bargaining interests.

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#### #### Historical Background:

- The case underscores the continuous struggle for proper labor representation in the Philippines and emphasizes the judiciary’s role in upholding statutory requirements to ensure fair labor practices and legitimate union representation. The judicial decision reflects robust adherence to the Labor Code, aiming to harmonize employer-employee relations.