

****Title:****

Bulletin Publishing Corporation vs. Hon. Augusto S. Sanchez and others, G.R. No. 72873

****Facts:****

1. Bulletin Publishing Corporation is involved in the business of publishing newspapers and magazines.
2. The company had an established union called the Bulletin Employees Union (BEU) for its rank-and-file workers, which was already in place with a Collective Bargaining Agreement (CBA) effective from July 15, 1984, to July 15, 1987.
3. In March 1986, 25 out of 48 supervisory employees formed the Bulletin Publishing Corporation Supervisors Union (BSU).
4. BSU filed for registration with the Ministry of Labor and Employment, receiving Registration Certificate No. 10547-LC on March 26, 1986.
5. BSU notified the company of its existence and demanded recognition as the bargaining agent for the supervisors.
6. The company refused to recognize BSU and filed a petition with the Ministry of Labor on April 25, 1986, seeking the cancellation of BSU's registration, citing legal prohibitions.
7. Faced with an impending strike threat from BSU scheduled for May 12, 1986, the company filed a petition with the Supreme Court for certiorari, prohibition, and preliminary injunction.
8. The Supreme Court scheduled a hearing for the motion on May 14, 1986, and issued a temporary restraining order on May 12, 1986.
9. The public and private respondents submitted their comments, which the Court considered as their formal answers to the petition.

****Issues:****

1. Can supervisory employees legally form a union separate from the rank-and-file union for the purpose of collective bargaining?
2. Does the registration of the BSU violate the explicit provisions of labor laws and implementing rules?
3. Is the issuance of the preliminary injunction against the supposed strike by BSU members justified?

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

1. ****Legal Right to Form a Union:****
 - The Supreme Court determined that supervisory employees are not legally permitted to form a separate union. As per the Labor Code and the Omnibus Rules, only rank-and-file

employees may organize a union.

2. **Registration Violation:**

- The Court held that the registration of BSU was contrary to the intent and provisions of the Labor Code. Section 11, Rule II of the Omnibus Rules states that supervisory unions should cease to exist and should be automatically canceled upon effectivity of the Code (Jan 1, 1975). Supervisory employees can only join rank-and-file unions.

3. **Preliminary Injunction Justification:**

- The Court made the temporary restraining order permanent to prevent the BSU from calling a strike. Argumentatively, strikes organized by grassroots or invalid unions causing irreparable damage to the business can be restrained.

Doctrine:

- **Managerial and Supervisory Employees:**

- Managerial employees possess decision-making power that qualifies them as managerial and strips them of the right to unionize.

- Supervisors who do not perform managerial roles must integrate with existing rank-and-file unions.

- Existing supervisory unions are rendered illegal and their certificates void post-Labor Code (1975).

- **Strikes and Union Legitimacy:**

- Strikes must not be organized by managerial employees or invalid supervisory unions.

- A business may seek judicial intervention to prevent strikes causing irreparable harm when union activities violate the Labor Code.

Class Notes:

- Key Elements:

- **Managerial Employee Definition** (Labor Code Art. 212(k)): Employees with management policy execution power and disciplinary authority.

- **Prohibition for Supervisory Unions**: Section 11, Rule II, Book V of the Omnibus Rules eliminates the legality of supervisory unions post-1975.

- **Right to Form Union**: Exclusive to rank-and-file employees as per Labor Code provisions.

- **Relevant Statute**:

- Labor Code, Article 246: Managerial employees cannot join labor organizations.

- Omnibus Rules, Section 11: Supervisors cannot form separate unions, must merge with

rank-and-file units.

****Historical Background:****

- ****Industrial Peace Act (R.A. 875)****: Allowed supervisory employees to form unions, effective January 17, 1953.
- ****Labor Code (P.D. 442)****: Effective January 1, 1975, which repealed the Industrial Peace Act and stripped supervisory employees of the right to form separate unions.
- The shift in policy from the Industrial Peace Act towards tighter restrictions in the Labor Code reflects evolving labor regulations intended to clarify roles and prevent conflicts of interest in union activities.