

**Title:** Labor Congress of the Philippines et al. v. National Labor Relations Commission, Empire Food Products et al., G.R. No. 115931, March 29, 1995

**Facts:**

- Employment and Union Formation:** The 99 petitioners were rank-and-file employees of Empire Food Products. They filed a complaint asserting money claims and alleged violations of labor standards and sought recognition of the Labor Congress of the Philippines (LCP) as their bargaining representative.
- Memorandum of Agreement:** On October 23, 1990, a Memorandum of Agreement was signed between the petitioners and Empire Food Products, recognizing LCP as the sole bargaining agent and agreeing to address pending issues in a collective bargaining agreement, along with adjustments to wages and payroll deductions for union dues.
- Certification:** On October 24, 1990, the Mediator Arbiter certified LCP as the sole bargaining agent.
- Collective Bargaining Proposal:** The petitioners submitted a collective bargaining proposal on November 9, 1990.
- Initial Complaint:** On January 23, 1991, petitioners filed a complaint alleging unfair labor practices, union busting, illegal lockout and/or dismissal, violations of the Memorandum of Agreement, underpayment of wages, and seeking damages (NLRC Case No. RAB-III-01-1964-91).
- Labor Arbiter's Decision (Initial):** Labor Arbiter Ariel C. Santos dismissed the complaint but ordered the reinstatement of individual complainants except those who had resigned or signed quitclaims.
- NLRC Remand:** The NLRC vacated the Labor Arbiter's decision, citing overlooked evidence and ordered further proceedings.
- Labor Arbiter's Decision (Remand):** On July 27, 1994, after remand, the complaint was again dismissed, with the Labor Arbiter ruling no evidence supported claims of unfair labor practice, union busting, or underpayment.
- NLRC's Affirmation:** The NLRC affirmed the Labor Arbiter's decision, leading to petitioners seeking relief through a special civil action for certiorari.

**Issues:**

- Whether the NLRC gravely abused its discretion in ignoring petitioners' evidence and applicable jurisprudence, thereby depriving petitioners of due process.
- Whether the petitioners' rights to self-organization, security of tenure, just and humane

working conditions, and due process were violated.

III. Whether the petitioners were illegally dismissed or constructively dismissed from their employment.

IV. Whether the petitioners are entitled to reinstatement, back wages, statutory benefits, damages, and attorney's fees.

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

I. **\*\*Abuse of Discretion\*\***:

The Supreme Court found that the NLRC and Labor Arbiter ignored substantial evidence presented by the petitioners and erroneously ruled on the basis of incomplete or mistaken facts. The Court noted a lack of reasoned explanation in the change of decision by the Labor Arbiter.

II. **\*\*Violation of Labor Rights\*\***:

The Court held that there was insufficient basis to rule that the petitioners abandoned their work. The evidence suggested the petitioners' absence could not be construed as abandonment, particularly given their prompt filing of a complaint for illegal lockout and/or dismissal.

III. **\*\*Illegal Dismissal\*\***:

The petitioners were found to have been illegally dismissed, as the employer failed to meet the burden of proving just cause for the termination. The abrupt change in the Labor Arbiter's decision without substantial rationale indicated grave abuse of discretion.

IV. **\*\*Entitlement to Benefits\*\***:

The Court directed the NLRC to determine the amount of back wages, holiday pay, premium pay, 13th month pay, service incentive leave, and separation pay due to the petitioners. The petitioners, recognized as regular employees paid on a piece-rate basis, were found entitled to these benefits, excluding overtime pay unless conforming to statutory standards.

**\*\*Doctrine:\*\***

1. **\*\*Labor Rights and Due Process\*\***: The NLRC must not ignore substantial evidence and established jurisprudence. Decisions must be based on concrete facts, not procedural technicalities.

2. **\*\*Abandonment of Work\*\***: A single instance of absence does not constitute

abandonment. Consistent with prior rulings, filing a complaint for illegal dismissal negates allegations of abandonment.

3. **Back Wages and Separation Pay**: In cases where reinstatement is impractical, the Court can award separation pay at the rate of one-month salary per year of service instead. Regular employees paid by the piece are entitled to statutory benefits.

**Class Notes:**

1. **Unfair Labor Practices**: Defined under Article 248 of the Labor Code - includes illegal dismissal, union busting, and other acts against employees' rights to self-organization.
2. **Burden of Proof in Dismissal**: The employer must prove that the dismissal was for a valid cause. Absence of such proof entitles the employee to reinstatement or separation pay.
3. **Statutory Benefits**: Regular employees, even if paid on a piece-rate basis, are entitled to holiday pay, premium pay, 13th month pay, and service incentive leave. Specific regulations apply to ensure compliance.
4. **Certiorari under Rule 65**: A remedy for actions or decisions made with grave abuse of discretion amounting to lack or excess of jurisdiction.

**Historical Background:**

The ruling reflects a period in Philippine labor jurisprudence where the Supreme Court emphasized protecting workers' rights and ensuring just and humane conditions of work. The 1995 decision reinforces earlier jurisprudence that consistently defends employees from arbitrary or illegal dismissal and ensures equity in labor relations, corresponding with the broader trend of strengthening labor laws and enhancing workers' protections during the late 20th century.