

Title: States Marine Corporation and Royal Line, Inc. vs. Cebu Seamen's Association, Inc.

Facts:

Petitioners States Marine Corporation and Royal Line, Inc., engaged in marine coastwise transportation, employed several steamships and had a collective bargaining contract with the Cebu Seamen's Association, Inc. On September 12, 1952, the Cebu Seamen's Association filed a petition with the Court of Industrial Relations (CIR) citing various grievances:

1. Officers and crew were unpaid for sick leave, vacation leave, and overtime.
2. Petitioners coerced employees into accepting salary reductions.
3. After the Minimum Wage Law was enacted, employees were required to pay P0.40 per meal, unlike the masters and officers.
4. Capt. Carlos Asensi was dismissed for not agreeing to a salary reduction, and he sought reinstatement and back wages from December 25, 1952, at P540.00 monthly.

The companies countered, asserting:

1. Most of their employees were not union members.
2. Operations incurred financial losses.
3. No law mandated sick or vacation leave payments to private firm employees.
4. They adhered to Comm. Act No. 444 for overtime pay despite its non-applicability to transportation providers.
5. The Minimum Wage Law allowed meal costs to be deducted from wages.
6. Capt. Asensi's contract merely expired, negating the claim of union activity dismissal.

On February 21, 1957, the CIR ruled in favor of the union. The petitioners' motion for reconsideration was denied, prompting them to file a writ of certiorari to address legal questions.

Issues:

1. CIR's jurisdiction despite the small number of disputing employees.
2. Legality of meal cost deductions from wages.
3. Definition and treatment of "meals" under Rep. Act No. 602 sections 3(f) and 19.
4. CIR's ruling on Severino Pepito's overtime work.
5. Reinstatement of Capt. Asensi despite new employment.
6. Denial of motion for new trial based on Wage Administration Service orders.

Court's Decision:

1. **CIR's Jurisdiction:**

- Determined the union had over thirty members at employment time, surpassing jurisdictional thresholds.
- Found that 159 union members were working for the petitioners, satisfying jurisdictional requirements.

2. **Meal Deductions:**

- Petitioners argued that section 3(f) of Rep. Act No. 602 allowed meal deductions, while the CIR and the union claimed them illegal.
- The Supreme Court concluded that meals were supplements provided prior to the Minimum Wage Law and thus could not be deducted post-law enactment.

3. **Interpretation of Meals as Supplements:**

- Defined supplements as extra benefits above wages and facilities as basic necessities integral to wages.
- Meals provided free of charge were seen as supplements, reinforcing their undeductible status per Sec. 19.

4. **Overtime Work of Severino Pepito:**

- Validated Pepito's uncorroborated overtime claims due to unrebutted testimony.
- Determined continuous work nature invalidated claims under Comm. Act No. 444.

5. **Reinstatement of Capt. Asensi:**

- Upheld CIR's decision for reinstatement without back wages, disregarding his interim employment, under theories of equity reducing employment penalties.

6. **Motion for New Trial:**

- Denied, as Wage Administration Service orders were deemed irrelevant to the already established status of meals as supplements.
- Noted late introduction of evidence as inappropriate for consideration.

Doctrine:

1. **Jurisdiction Principle:**

CIR jurisdiction holds throughout case duration once validly initiated.

2. **Worker Benefits under Minimum Wage Law:**

Meals and similar provisions freely given pre-law constitute "supplements" and cannot be deducted post-enactment under Section 19 of Rep. Act No. 602.

3. ****Equitable Reinstatement:****

CAP. Asensi's reinstatement was mandated without back pay under principles balancing employer's rights with industrial equity.

Class Notes:

Key Concepts:

- Jurisdiction in labor disputes relies on union membership benchmarks.
- Differentiation between "supplements" and "facilities" under labor law.
- Continuous vs. non-continuous work considerations for overtime claims.
- Role of equitable principles in labor reinstatements.

Relevant Statutes:

- Rep. Act No. 602 (Minimum Wage Law), especially Sec. 3(f) and Sec. 19.
- Comm. Act No. 444 (Eight Hour Labor Law).

Historical Background:

This case underscores post-WWII labor movements in the Philippines, aligning with mid-20th century global labor rights advancements. The Minimum Wage Law reflects burgeoning legislative attempts to protect worker welfare amid economic adjustments and industrial disputes in the maritime sector. The case represents early enforcement challenges and judicial interpretations shaping Philippine labor jurisprudence.