

****Title:** Delfin Cueto, et al. v. Hon. Montano A. Ortiz, et al.**

****Facts:****

On November 13, 1956, the Nasipit Labor Union and the Nasipit Stevedoring Co., Inc. (plaintiffs) filed Civil Case No. 517 in the Court of First Instance (CFI) of Agusan for the recovery of damages against Delfin Cueto and other defendants (petitioners). Plaintiffs also prayed for the issuance ex parte of a writ of preliminary injunction.

1. ***Contractual Relationships*:** Plaintiffs alleged that Nasipit Stevedoring Co., Inc. had agreements with Nasipit Lumber Co., Inc. and Agusan Timber Corporation to be their sole contractor for unloading and loading all cargoes on foreign vessels at Nasipit port. The plaintiffs sourced labor from Nasipit Labor Union, which had been performing satisfactorily.

2. ***Interference and Violence*:** On November 6, 1956, defendants reportedly prevented Nasipit Labor Union from loading timber by threats, force, and intimidation, causing physical injuries to a security guard and harassment of the laborers. Despite police presence, defendants allegedly continued their disruptive activities, causing plaintiffs to suffer actual and potential irreparable damages.

3. ***Procedural Actions*:**

- Plaintiffs petitioned for an ex parte writ of preliminary injunction.
- Defendants opposed the petition.
- Following Section 9(d) of Republic Act No. 875, CFI held a hearing and issued the preliminary injunction upon the plaintiffs posting a P20,000 bond.

4. ***Certiorari Petition*:** Defendants filed for certiorari and prohibition, challenging the injunction's enforcement, contending the bond was defective both formally and substantially. They argued that the bond was not properly agreed upon by the sureties and inadequately covered the amount of P20,000, as the sureties' properties amounted only to P3,460. They also claimed non-compliance with Republic Act No. 875.

Upon filing a P200 bond, the Supreme Court issued a preliminary injunction but later dissolved it after the respondents answered and the case was heard.

****Issues:****

1. ***Jurisdiction*:** Whether the Court of First Instance had jurisdiction over the case, given it involved a labor dispute.
2. ***Validity of Preliminary Injunction*:** Whether the preliminary injunction issued by the

Court of First Instance was valid despite:

- Alleged defects in the bond.
- Claims of variance between the injunction and the prayer in the complaint.
- Compliance with Section 9 of Republic Act No. 875.

Court's Decision:

1. **Jurisdiction:** The Supreme Court affirmed that CFI had jurisdiction over the dispute. Citing Philippine Association of Free Labor Unions (PAFLU) v. Tan, the Court clarified that unless the labor dispute affects an industry indispensable to national interest or involves issues under minimum wage or hours of employment laws, the Court of Industrial Relations doesn't have jurisdiction. Thus, the CFI could handle the complaint regarding damages from interference and violence.

2. **Preliminary Injunction:**

- **Bond Issue:** The Court held that the alleged bond defect did not affect the lower court's jurisdiction. The defect, therefore, wasn't grounds for invalidating the injunction.
- **Compliance with Section 9 of R.A. No. 875:** The Supreme Court noted that the order expressly stated compliance with the procedure outlined in the statute. Since proper procedure was followed and no valid grounds were presented for annulment, the injunction stood.

Doctrine:

- **Jurisdiction on Labor Disputes:** Courts of First Instance have jurisdiction over labor disputes not involving industries critical to national interest or not involving statutory minimum wage and working hours issues, unless so certified by the president.
- **Preliminary Injunctions and Bonds:** Defects in bonds do not affect the court's jurisdiction. Issues relating to bond sufficiency should be addressed via motions for reconsideration within the originating court.

Class Notes:

- **Key Concepts:**
 - Jurisdiction in labor disputes (R.A. No. 875).
 - Preliminary injunction rules and bond requirements.
 - **Republic Act No. 875, Section 9(d):** Procedures for preliminary injunctions in labor disputes.
 - **PAFLU v. Tan (99 Phil., 854):** Precedent on jurisdiction over labor issues not affecting national interest.

****Historical Background:****

In post-war Philippines, industrial relations were evolving, with increased labor activities requiring judicial interventions. This case fits within broader trends of legal clarification regarding labor disputes and the role of various courts, building a foundation for subsequent labor jurisprudence. The court's ruling reinforced clear jurisdictional demarcations between general courts and specialized labor courts, aligning with economic policies balancing industrial growth and labor rights.