

Title: ****Slord Development Corporation v. Benerando M. Noya, G.R. No. 138705****

Facts:

1. Respondent Benerando M. Noya was employed as a welder by petitioner Slord Development Corporation from September 9, 2008.
2. The employment was governed by a Collective Bargaining Agreement (CBA) between the company and Nagkakaisang Lakas ng Manggagawa-Katipunan (NLM-Katipunan).
3. The CBA included a union security clause that required union membership as a condition for continued employment.
4. In December 2013, respondent solicited signatures from employees for the purpose of forming a new union, leading NLM-Katipunan's president to file expulsion proceedings against him for disloyalty.
5. On February 9, 2014, respondent organized a new union, Bantay Manggagawa sa SLORD Development Corporation (BMSDC), and registered it with the Department of Labor and Employment (DOLE) on February 20, 2014.
6. Respondent failed to attend the hearings set by NLM-Katipunan which resulted in his expulsion from the union due to disloyalty.
7. A notice of expulsion dated February 27, 2014, was sent to respondent.
8. NLM-Katipunan demanded his termination from employment, which was acted upon by petitioner on March 19, 2014.
9. Respondent filed a complaint for illegal dismissal, unfair labor practice, and illegal deduction before the National Labor Relations Commission (NLRC).

Procedural Posture:

1. The Labor Arbiter dismissed the complaint, validating the dismissal based on the union security clause.
2. The NLRC affirmed but modified the decision, awarding respondent P10,000 as nominal damages for procedural lapses.
3. The Court of Appeals (CA) reversed the NLRC's decision, declaring the dismissal illegal and ordering reinstatement, back wages, allowances, and attorney's fees.
4. Petitioner filed a motion for reconsideration, which was denied by the CA.
5. Petitioner subsequently elevated the case to the Supreme Court (SC).

Issues:

1. Was there just cause for Benerando M. Noya's dismissal based on the union security clause?
2. Did his dismissal observe proper procedural due process?

Court's Decision:

1. **Just Cause for Dismissal**:

- The SC found that the respondent's actions constituted disloyalty, a violation of the union security clause.
- Evidence including written statements from various employees and union officers, corroborated the claim that respondent solicited support to form a new union.
- The court upheld the union's decision to expel the respondent and ruled that his dismissal had a valid cause.

2. **Procedural Due Process**:

- The SC concurred with the NLRC's findings that the employer failed to meet the procedural due process requirements, specifically not providing respondent adequate opportunity to defend himself.
- The SC increased the award from P10,000 to P30,000 in nominal damages for the procedural lapses in line with prevailing jurisprudence.

Doctrine:

1. **Union Security Clause**:

- A union security clause in a CBA can validly require employees to maintain union membership as a condition of employment, provided the proper procedures are followed.

2. **Procedural Due Process in Employee Dismissal**:

- The twin requirements of procedural due process—notice and hearing—must be strictly observed, even when dismissing an employee for just cause under a union security clause.

Class Notes:

1. **Union Security Clause**:

- Also known as "closed shop" agreements, these are clauses in CBAs requiring union membership as a condition for continued employment.

2. **Procedural Due Process**:

- First notice: Apprise the employee of the acts or omissions for which dismissal is sought.
- Second notice: Inform the employee of the decision to dismiss after the employee has had an opportunity to be heard.

Historical Background:

- The inclusion of union security clauses in CBAs is designed to strengthen unionism by requiring union membership for employment. Historically, unions and their members

pushed for these agreements to ensure collective bargaining power and workers' protection. This case demonstrates the judiciary's balanced approach, recognizing both the contractual obligations under union security clauses and the fundamental rights of employees to procedural due process.