

****Title:****

National Federation of Sugar Workers (NFSW) vs. Ethelwoldo R. Ovejera, et al., G.R. No. L-59743

****Facts:****

1. ****Collective Bargaining Agreement****: The National Federation of Sugar Workers (NFSW) served as the bargaining agent for the rank-and-file employees at Central Azucarera de la Carlota (CAC). They had a collective bargaining agreement (CBA) effective from February 16, 1981, to February 15, 1984, which included provisions for Christmas, milling, and amelioration bonuses amounting to 1.5 months of salary.
2. ****Initial Strike****: On November 28, 1981, NFSW commenced a strike to demand the 13th month pay as mandated by Presidential Decree (PD) 851, in addition to the bonuses already being granted.
3. ****Compromise Agreement****: A compromise was reached on November 30, 1981, where both parties agreed to abide by the final decision of the Supreme Court on cases involving the 13th-month pay law, specifically referencing the then-pending Marcopper Mining Corp. case.
4. ****Marcopper Decision****: The Supreme Court's decision on Marcopper Mining Corp. vs. Ople was finalized on December 18, 1981. This decision was seen as relevant because it addressed the same issue of 13th-month pay alongside existing bonuses.
5. ****Renewed Demand and Strike Notice****: After the Marcopper decision became final, NFSW renewed its demand for CAC to pay the 13th-month salary. Upon CAC's refusal, NFSW filed a notice of strike on January 22, 1982, and went on strike on January 28, 1982.
6. ****Legal Declaration of Strike****: CAC filed a petition to declare the strike illegal, citing non-compliance with the 15-day cooling-off period for unfair labor practices and the 7-day notice period post-strike vote as required by the Labor Code.
7. ****Labor Arbiter Decision****: Labor Arbiter Ethelwoldo R. Ovejera declared the strike illegal on February 20, 1982. He ordered the resumption of operations and reinstatement of employees but excluded those under preventive suspension.
8. ****Prohibition Petition****: On February 26, 1982, NFSW filed a petition for prohibition at

the Supreme Court to annul the Labor Arbiter's decision and prevent its enforcement.

****Issues:****

1. ****Legality of the Strike****: Whether the strike declared by NFSW was illegal under the provisions of the Labor Code, specifically concerning the mandatory cooling-off period and the 7-day strike ban after filing the strike-vote report.
2. ****13th Month Pay Obligation****: Whether CAC was obligated to pay the 13th-month salary under PD 851, in addition to the Christmas, milling, and amelioration bonuses.

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

1. ****Legality of the Strike****:
 - The Court held that the strike was illegal due to non-compliance with Articles 264 and 265 of the Labor Code.
 - The 15-day cooling-off period and the 7-day strike ban are mandatory. NFSW's strike violated these statutory requirements, making the strike illegal.
2. ****13th Month Pay Obligation****:
 - The Court ruled that PD 851 exempts employers who are already paying a 13th-month pay or its equivalent.
 - Since CAC was already providing various bonuses exceeding the 13th-month pay, it was not obligated to pay an additional 13th-month salary.
 - The ruling reinforced this interpretation by citing the contemporaneous interpretation of PD 851 by the Ministry of Labor, which included Christmas bonuses and similar payments as "equivalent" to the 13th-month pay.

****Doctrine:****

- ****Mandatory Nature of Waiting Periods****: The cooling-off period and the 7-day strike ban stipulated in Articles 264 and 265 of the Labor Code are mandatory for the legality of strikes.
- ****Exemption under PD 851****: Employers providing bonuses that are equivalent to at least 1/12th of an employee's basic annual salary are exempt from paying an additional 13th month pay.

****Class Notes:****

- **Elements for Legal Strike (Labor Code)**:

1. 15-day cooling-off period for ULP notices.
2. 30-day cooling-off period for bargaining deadlocks.
3. 7-day notice period after filing the strike-vote results.

- **Key Statutory Provisions**:

- Article 264(c), (e), and (f) of the Labor Code: Detailing the prerequisites and waiting periods for declaring a strike.
- PD 851: Requirement of 13th-month pay and its exceptions.

Historical Background:

- The case illustrates the complexities of balancing statutory requirements with labor rights amid rapidly evolving labor laws.
- The interpretation of bonuses in light of PD 851 reflects the legal and administrative efforts to provide a uniform standard for employee benefits.
- The decision underscores the judiciary's role in mediating disputes where legislative provisions and labor agreements intersect.

This case highlights the intricacies of labor laws within the broader socio-economic landscape of the Philippines during the early 1980s, serving as a precedent for similar labor disputes in the future.