

Title: NWSA Consolidated Unions vs. National Waterworks and Sewerage Authority, G.R. No. L-18938

Facts:

1. **Background and Dispute Initiation**:

- In 1957, upon certification by the President of the Philippines of a labor dispute's existence, the petitioner, NWSA Consolidated Unions, filed a case against the National Waterworks and Sewerage Authority (NAWASA) in the Court of Industrial Relations (CIR), docketed as Case No. 19-IPA.

- The case demanded the implementation of the 40-Hour Week Law (Republic Act No. 1880) and alleged violations of the collective bargaining agreement concerning distress pay, minimum wage, promotional appointments, additional compensation for night work, among others.

2. **Initial Proceedings and Judgment**:

- After hearing, the CIR rendered a judgment on January 16, 1961, in favor of the petitioner. This decision was later affirmed by the Supreme Court on August 31, 1964, with some modifications.

3. **Financial Infeasibility and Subsequent Strike**:

- The Supreme Court's modified judgment was not implemented due to a claimed financial infeasibility, with compliance requiring an outlay of approximately five million pesos.

- Consequently, the petitioner union went on strike again, leading to a new case, No. 66-IPA, in the CIR following another presidential certification.

4. **Partial Resolution and Attorney Fees**:

- A partial agreement was reached, resulting in NAWASA appropriating P300,000. Two attorneys of the petitioner union, Cipriano Cid and Israel Bocobo, sought payment for their legal services, which was agreed upon and paid.

- A third attorney, Atanacio Pacis, associated earlier with the Cid Law firm in Case No. 19-IPA, also requested fees but had no involvement in Case No. 66-IPA. Nevertheless, the CIR granted his motion for fees based on the initial case participation.

5. **Appeals and Final Decision**:

- The unions opposed the order allowing Atty. Pacis' fees, claiming it unlawfully deprived them of property without due process. However, this August 18, 1966 order granting Pacis P18,000.00 was affirmed by CIR, as the money was appropriated per prior Supreme Court

decision in Case G.R. No. L-18938, which Pacis worked on.

Issues:

1. Whether the payment of attorney's fees to Atty. Atanacio Pacis for a case he did not participate in post-separation from the law firm was lawful.
2. Whether the amended 23% allocation of attorney's fees, surpassing the originally contracted 20%, was valid under the circumstances.

Court's Decision:

1. **Attorney Fees to Atty. Pacis**:

- The Court found no merit in the unions' contention against Atty. Pacis receiving a fee, as the appropriation was designated for satisfying claims decided in the Supreme Court case in which Pacis had indeed participated.

2. **Fee Allocation Beyond Contract**:

- The earlier modification from 20% to 23% attorneys' fee became unassailable since it wasn't appealed or reconsidered within the stipulated period, therefore binding on the parties.

Doctrine:

The decision reiterates that unappealed orders attain finality and cannot be altered subsequently, even if they modify existing contracts, provided no timely objection was raised (citing Rules of Court and relevant labor code precedents).

Class Notes:

- **Attorney's Fees**: Attorney fees may be apportioned as per contractual agreements; however, court orders on fee adjustments must be contested immediately if deemed improper.
- **Labor Dispute Certification**: Presidential certification activates labor dispute adjudication under appropriate courts.
- **Final Judgments**: A court's unchallenged order becomes final and executory.

Historical Background:

The case reflects labor challenges during the 1950s-60s in the Philippines, highlighting the tension in implementing labor laws post-colonial governance transformation, escalating to presidentialistically-certified labor conflicts addressed by industrial courts and culminating in Supreme Court review.