

****Title:** PHIMCO Industries, Inc. vs. PHIMCO Industries Labor Association (PILA) and Others******

****Facts:****

PHIMCO Industries, Inc. (PHIMCO) faced a bargaining deadlock with the PHIMCO Industries Labor Association (PILA), leading to PILA's notice of strike filed on March 9, 1995. Following a strike vote, PILA members staged a strike on April 21, 1995. PHIMCO sought a temporary restraining order (TRO) against the strike, which was granted on May 15, 1995. On June 23, PHIMCO informed 36 union members of their pending dismissal for alleged illegal acts during the strike. By June 26, these members were dismissed. PILA filed a complaint for unfair labor practice and illegal dismissal with the National Labor Relations Commission (NLRC), while PHIMCO filed a petition to declare the strike illegal. The NLRC initially ruled in favor of PHIMCO but overturned its decision upon PILA's appeal, finding the strike legal and dismissing PHIMCO's petition. PHIMCO's further appeals led the case to the Court of Appeals (CA), which upheld the NLRC's findings. PHIMCO then brought the case to the Supreme Court.

****Issues:****

1. Whether the strike conducted by PILA was illegal due to acts of violence, coercion, intimidation, or obstruction to company premises ingress and egress, as stated in Article 264(e) of the Labor Code.
2. Whether the NLRC and CA erred in ruling the strike as legal despite evidence presented by PHIMCO.
3. The appropriate due process for dismissing employees who participate in an illegal strike.

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

The Supreme Court partly granted the petition. The Court found the strike illegal, as the picket effectively blocked the free ingress to and egress from PHIMCO's premises, thereby committing acts prohibited under Article 264(e) of the Labor Code. The Court overturned the CA's decision and reinstated the ruling of the Labor Arbiter, with the modification that identified union officers and members who participated in the illegal acts during the strike be dismissed, but with the award of nominal damages to each due to the lack of due process in their dismissal.

The Court held that while the strike had a legitimate purpose and followed procedural

requirements, the means employed were illegal. The evidence showed that the picket, although moving and peaceful, obstructed access to company premises. Union officers directly participating in the illegal strike could be dismissed, but PILA members required proof of illegal acts for dismissal. The Court stipulated that due process was violated in the dismissal procedures, awarding nominal damages to the affected employees.

****Doctrine:****

The Supreme Court reiterated that for a strike to be deemed legal, it must not only comply with procedural requirements but also avoid prohibited activities such as obstruction of ingress and egress from company premises. Additionally, the decision underscored the distinction between the liabilities of union officers and members in illegal strike activities, emphasizing the necessity of due process in terminating employment.

****Class Notes:****

1. ****Legal Strike Requirements:**** Follow procedural requirements and avoid illegal acts, including obstruction of company premises (Article 263 and 264 of the Labor Code).
2. ****Union Officers vs. Members Liability:**** Officers may be dismissed for knowingly participating in an illegal strike, while members require proof of participation in illegal acts.
3. ****Due Process in Dismissal:**** Employers must follow procedural due process in terminating employees, including a written notice specifying the grounds for termination and allowing the employee to defend themselves.

****Historical Background:****

The case reflects the contentious nature of labor disputes and the balance between upholding workers' rights to strike and ensuring such actions are within legal bounds to protect both parties' interests. The distinction in liability between union officers and members highlights the law's attempt to mitigate the consequences of illegal strikes, ensuring accountability while safeguarding due process rights.