

**PHILIPPINE ASSOCIATION OF FREE LABOR UNIONS AND LEGASPI OIL EMPLOYEES ASSOCIATION, PETITIONERS, VS. THE HON. PERFECTO QUICHO, JUDGE OF THE COURT OF FIRST INSTANCE OF ALBAY, 10TH...**

*G.R. No. L-30153. September 13, 1972*

Ponente: ANTONIO, J.

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**ANTONIO, J.:**

On January 23, 1969 respondent Legaspi Oil Co., Inc. filed in the Court of First Instance of Albay, Branch I, respondent Judge Perfecto Quicho, presiding, Civil Case No. 3856 for "damages with preliminary injunction", against petitioners - Philippine Association of Free Labor Union (PAFLU) a legitimate labor organization and its local labor organization, the Legaspi Oil Employees Association. Respondent company alleged that notwithstanding the absence of, any collective (bargaining) agreement between petitioners and respondent company, or of a labor dispute between them "defendants acting jointly and mutually helping each other, declared a 'strike' against the plaintiff and in pursuance thereto are picketing the premises of the plaintiff at Arimbay, Legaspi City and by means of threats and violence, are preventing the laborers, employees and customers of the plaintiff from carrying on the normal business of said plaintiff by preventing entrance to and egress from the company compound where its plant is located," and that "by reason of the acts complained of plaintiff has suffered damages at the rate of P10,000.00 daily" and "unless sooner restrained great or irreparable injury would result to plaintiff before the matter can be heard on notice".

On the very same date respondent court issued *ex parte*, upon a P2,000.00 bond, its order and a writ of preliminary injunction of January 23, 1969 restraining the defendants (petitioners) their members, employees and agents "from picketing the premises of the oil plant" of plaintiff (respondent company) "by means of threats and violence and restraining them from preventing the employees, laborers, and customers" of the said company "from freely going in and out of the compound" of the company, "where it has its oil mill at Arimbay, Legaspi City \* \* \* until further orders from the Court".

Petitioners filed on January 27, 1969 before respondent court an "Urgent Motion": (1) for the reconsideration of the Order dated January 23, 1969; (2) the lifting of the *ex parte* writ of preliminary injunction dated January 23, 1969; and (3) the dismissal of the aforesaid civil case 3856, for lack of jurisdiction.

In support of its "Urgent Motion for Reconsideration" petitioners alleged that contrary to the allegations mentioned in the complaint, there is in fact a strike called after proper notice served on respondent company, which arose due to a labor dispute between respondent company and the union representing the employees working in the oil plant owned and operated by the company, and that there is actually pending with the Court of Industrial Relations, an unfair labor practice case filed by the unions against the employer prior to the filing of the civil case for injunction as per certification of the Clerk of Court of the latter.

Petitioners further maintained that being an injunction against picketing it should have been issued pursuant to the

requirement of the Industrial Peace Act (Republic Act No. 875) section 9(d) and respondent court having failed to comply with such requirements, the injunctive writ issued by it, is therefore a nullity.

The respondent court however did not resolve the "Urgent Motion" of petitioners at the hearing of petitioners' "urgent motion" on January 29, 1969. Consequently because of the failure of respondent court to act immediately on its urgent motion for reconsideration petitioners filed before Us on February 7, 1969 this present petition for certiorari with preliminary injunction challenging (1) the jurisdiction of the Court of First Instance of Albay, as the acts complained of arose out of or are connected with an unfair labor practice case falling within the exclusive jurisdiction of the Court of Industrial Relations and (2) that the writ of preliminary injunction having been issued on the basis of acts that arose out of or are connected with a labor dispute is void for failure to comply with the requirements of Sec. 9(d) of Republic Act 875.

They prayed, that upon filling of the necessary bond, a writ of Preliminary Injunction be issued restraining respondent court from enforcing its injunction dated January 23, 1969, and from further hearing the aforementioned Civil Case No. 3856.

We issued the injunction upon a P200.00 bond.

On February 28, 1969, respondent company answered the petition, by denying some of the averments thereof specifically the employer-employee relationship of the parties, and reproducing the allegations contained in its complaint, such as the non-existence of a labor dispute, and insisted that the action was one for the recovery of damages as a result of the "illegal acts" of petitioners, and that the injunction issued by respondent judge was not the injunction contemplated by Section 9, paragraph (d) of Republic Act No. 875 but one sanctioned by Rule 58 of the Revised Rules of Court.

On March 24, 1969, respondent filed a motion to dissolve the preliminary injunctive writ issued by this Court, alleging that petitioners, taking advantage of said writ suspending the enforcement by respondent court of its questioned order, renewed their "illegal acts" by obstructing through acts of violence and other forms of harassment, the free ingress and egress to and from its compound, at Arimbay, Legaspi City, of its laborers, employees, officers, customers and visitors thus preventing said officers and employees from reporting for work, the customers from transacting their business, and respondent company from otherwise conducting its business operations; that such unlawful acts are causing substantial and irreparable injury to respondent company, and unless the members of petitioning union are restrained greater injury will be suffered by respondent; that public officers charged with the duty to protect respondent's property are unable or unwilling to furnish adequate protection. Respondent therefore prayed for the dissolution of the injunction or in the alternative to issue a writ against petitioners restraining them from committing acts of violence, threat, intimidation and coercion to prevent said respondent, officers, employees and customers from going in and out of said company's compound.

We resolved to allow the parties to take up this matter in their respective memoranda.

At issue is whether the respondent Court of First Instance acted without or in excess of its jurisdiction and with grave abuse of discretion in issuing the writ of preliminary injunction of January 23, 1969.

## I

A cursory examination of the complaint filed in the court a quo for all its guarded language and ingenious avoidance of any express reference to the actual existence of a labor dispute, will show however that the Legaspi Oil Employees Association, a labor union of the employees of respondent company is principally impleaded as a defendant and while the existence of any collective bargaining agreement or of a labor dispute is denied, it alleges that said labor union had declared a 'strike' against the company and in pursuance thereto together with its affiliate

the Philippine Association of Free Labor Unions (PAFLU) "are picketing the premises of the Plaintiff at Arimbay, Legaspi City and by means of threats and violence, are preventing the laborers, employees and customers of the plaintiff from carrying on the usual business of said Plaintiff by preventing entrance to and egress from the company compound where its plant is located". It could be clearly inferred from such allegations, that there was a temporary stoppage of work in the company by the concerted action of its employees as a result of an industrial dispute[1] and the strikers were then actually picketing the premises of the company's compound as a means of exerting pressure on management. Such averments necessarily connote that the acts complained of involve or arose out of a labor dispute.

On the face of such allegations the respondent Court should have been placed on alert and conducted immediately a hearing to determine the real nature of the proceeding. Instead respondent Court on the basis alone of the verified complaint, issued ex parte the writ of preliminary injunction on January 23, 1969, and served on the same date said writ upon the Union. Such error is compounded when in spite of the information contained in petitioners' "urgent motion for reconsideration", filed with Respondent Court on January 27, 1969 that the strike was connected or in-terwoven with an unfair labor practice case against respondent company, pending with the Court of Industrial Relations and filed prior to the institution of Civil Case No. 3856, respondent court still failed to reconsider its order at the hearing of said motion on January 29, 1969.

As early as the case of Philippine Association of Free Labor Union (PAFLU) vs. Tan[2] we said that with "regard to activities that may be enjoined, in order to ascertain what court has jurisdiction to issue the injunction, it is necessary to determine the nature of the controversy. We explained in Associated Watchmen and Security Union vs. States Lines, et al,[3] that "the necessity of a hearing is demanded by the fact that the existence or non-existence of a labor dispute at determines the nature of the proceedings that must be followed in the issuance of an injunction. If a labor dispute exists then the provisions of the Magna Charta of Labor (R.A. No. 875) should be strictly followed \* \* \* and, on the other hand, if no labor dispute exists then the Court may issue an ordinary injunction in accordance with the Rules of Court". Recently in Rustan Supervisory Union vs. Dalisay[4] we said that "while in regular civil actions, the question of contradiction is jurisdiction is determined by the allegations of the complaint, the rule differs in labor disputes in that the Court has set the criterion that whether the acts complained of in the petition for injunction arose out of, or are connected or interwoven with, the unfair labor practice case (presents) a question of fact that should be brought to the attention of the court aquo to enable it to pass upon the issue whether it has jurisdiction or not over the case and the court is duty bound to find out if there really is a labor dispute by reception of evidence".

It is worthwhile to note that the Industrial Peace Act[5] has gravely curtailed the power of the courts to issue injunction in cases involving or growing out of labor dispute. The statutory purpose being "to encourage the use of the non-judicial processes of negotiation, mediation and arbit-ration for the adjustment of labor disputes".[6]

The restriction of the areas wherein Courts may interfere with labor activities were intended to remove in the words of Gregory, "judicial obstruction to union self-help and economic free enterprise".[7]

Respondents contend that the petition is premature as the question whether or not there is an employer-employee relationship between the parties or the acts complained arose out of a labor dispute or connected or interwoven with an unfair labor practice case, are factual matters which should have been threshed out before the court a quo. Considering the explicit policy of the law on the issuance of labor injunction, we have stressed nonetheless, that even in such cases where the respondent court "entertained doubt as to whether or not the relation of employer and employee exists between the petitioning union and the respondent \* \* \*, it was also an abuse of discretion on its part to have issued the injunctions without hearing the parties and receiving the evidence on the main issue".[8] As we have stated heretofore, the very allegation of the complaint indicate that the case involves a labor dispute,

and it should have been incumbent upon Respondent Court, assuming that the case was within its jurisdictional competence, to comply strictly with the statutory requirements of Section 9(d) of Rep. 875 before it issued the injunction in question. Such failure to adhere to the rigorous requirements of Section 9(d) of the law is evident in the absence of showing that the court heard the testimony of witnesses in open court in support of the allegations and the testimony in opposition thereto, the lack of any "finding of fact" as to the existence or non-existence of the facts required to be shown under the aforementioned Section 9(d) and Section 9(f) thereof. Neither was "notice given to the chief of those public officials of the \* \* \* city charged with the duty to protect complainant's property" mentioned, nor has it been shown that complainant exerted "every reasonable effort to settle such dispute by negotiation or with aid of any available governmental machinery of mediation or by voluntary arbitration" before the restraining order or injunction was granted. We stressed that failure to comply with even one of these requirements will suffice to deny the issuance of the writ.[9] The record is devoid of such essential findings of fact.)

Moreover, even if proper, Respondent Court by deferring the hearing beyond the statutory five-day period, has in effect, maintained the injunction beyond the maximum period authorized by law.)

## II

Petitioners challenge the jurisdiction of respondent Court, contending that "the Court of Industrial Relations has exclusive jurisdiction to hear not only the unfair labor practice case but the other incidents connected with the labor dispute", including the question of jurisdiction. It is true that a complaint for injunction does not come under the jurisdiction of the Court of First Instance where the issue involved is interwoven with an unfair labor practice case pending before the Court of Industrial Relations, even if such case involves acts of violence, intimidation or coercion.[10]

This rule we reaffirmed in *Mindanao Rapid Co. Inc. (MIN-RAPCO) vs. Omandam*[11] where we had occasion to review our decisions on the basic issue as to which court has jurisdiction on cases involving labor disputes — the Court of First Instance or the Court of Industrial Relations. In that case we held that where the acts complained of "by the employer were directly interwoven with a labor dispute arising out of certain acts thereof claimed by the employees and/or union to which they are affiliated to constitute unfair labor practice" — the "issue is within the exclusive jurisdiction of the Court of Industrial Relations and beyond that of the Court of First Instance even if no unfair labor practice case had as yet been filed with the first court, it being enough that unfair labor practice is involved".[12] While in regular civil actions, the question of jurisdiction is determined by the allegations of the complaint in labor disputes the court a quo should take into account the related facts disclosed by the respondent labor organization's opposition to the issuance of the injunction and in the annexes thereto.[13] We explained this in the *Mindanao Rapid Co. Inc.* case[14] thus:

"Appellant in L-23058 and private respondent in L-24718 maintain that jurisdiction is determined solely by the allegations of their respective complaints, and that, tested by such allegations, the subject-matter of said complaints in the court of first instance are within the jurisdiction thereof. The rule to this effect, established, in connection with demurrers under our old Code of Civil Procedure is no longer adhered to — except, perhaps, where the ground invoked is the failure of the complaint to state a cause of action; inasmuch as the Rules of Court now permit a motion to dismiss based upon facts not alleged in the complaint, such as, inter alia, pendency of another action between the same parties for the same cause, *res adjudicata*, the statute of limitations.

"This is specially true in cases involving a conflict of jurisdiction between the Court of Industrial Relations and a court of first instance. To be sure, counsel have, at times, drafted their pleadings so adroitly as to refrain from even suggesting that the issue between the parties is due to a labor dispute between them. This

notwithstanding, whenever the existence of such dispute and of other facts placing the issue within the exclusive jurisdiction of the Court of Industrial Relations has been duly established, this Court has not hesitated to declare that the Court of first instance has no authority to hear and decide the case".

Considering that respondent Court was duly apprised of the fact that the strike and picketing sought to be restrained were related to the pending unfair labor practice case, it should have dismissed the case.

IN VIEW OF THE FOREGOING, the writ of certiorari prayed for is hereby granted, and the writ of preliminary injunction made permanent. Respondent Court is hereby ordered to dismiss Civil Case No. 3856 with costs against private respondent. So ordered.

Concepcion, C.J., Makalintal, Zaldivar, Castro, Fernando, Teehankee, Barredo, Makasiar, and Esguerra, JJ., concur.

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[1] Section 2(1), Rep. Act No. 875.

[2] 99 Phil. 854, Aug. 31, 1956.

[3] 101 Phil. 896, July 25, 1957.

[4] 38 SCRA 500; L-32891, April 29, 1971.

[5] The Industrial Peace Act (Rep. Act 875) is patterned after the Norris La Guardia Act).

[6] (Brotherhood of R.T. vs. Toledo, Peoria & W.R. Co. 64 Sup. Ct. 413, 321 U.S. 50, 88 L. ed. 534, 540-541).

[7] Labor and the Law, by Charles O. Gregory 1949 Ed. p. 197.

[8] Associated Watchmen & Security Union vs. United States Lines, et al. 101 Phil. 90.

[9] Phil. Communications, Electronics & Electricity Workers Federation vs. Nolasco, 24 SCRA 321; Rustan Supervisory Union vs. Dalisay, 38 SCRA, 520.

[10] Regal Manufacturing Employees Asso. vs. Hon. Reyes, et al. L-24388, July 29, 1968; SMB Box Factory Worker's Union et al. 102 Phil. 646; National Garments & Textile Workers' Union PAFLU vs. Hon. Caluag, 99 Phil. 1067.

**[11] 42 SCRA, 250.**

[12] Supra.

[13] Leoquinco vs. Canada Dry Bottling Co. of the Phil. Inc. Employees Asso. 37 SCRA 535.

[14] Supra.

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