

PAPERTECH, INC., PETITIONER, VS. HON. MED ARBITER MARION S. SEVILLA AND PAPERTECH EMPLOYEES ASSOCIATION (PEAS)-ALU-TUCP, RESPONDENTS.

Ponente: LAMPAS PERALTA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/0f02ccfdd611/>

LAMPAS PERALTA, J.:

Before the Court is a petition for certiorari and prohibition under Rule 65, 1997 Rules of Civil Procedure, as amended, assailing public respondent Med-Arbiter Marion S. Sevilla's (i) Order dated November 23, 2012[1] in NCR-P-CE-01-09-10-12 which granted private respondent's petition for certification election and ordered the election officer to conduct a certification election among petitioner's regular rank and file employees, and (ii) Orders contained in the Minutes of the Pre-Election Conference dated January 11, 2013[2] and Order/Instruction dated January 18, 2013,[3] both of which directed the Department of Labor and Employment (DOLE) Regional Office to proceed with the conduct of a certification election.

THE ANTECEDENTS

Petitioner is a corporation engaged in the business of manufacturing and packaging of various tissue, napkin and paper products in wholesale and retail basis. It also supplies said products to pharmaceutical, food and retail establishments.[4] Private respondent Papertech Employees Association (PEAS)-ALU-TUCP is a chartered local/chapter of Associated Labor Unions-Trade Union Congress of the Philippines (ALU-TUCP).[5] Its members are employees of petitioner, while other employees are members of Papertech Labor Union (PALU)-NAFLU-KMU.

On October 23, 2007, PALU-NAFLU-KMU filed with the DOLE a petition for certification election.[6] In an Order dated January 7, 2008, Med-Arbiter Michael Angelo T. Parado granted the petition and ordered petitioner to submit a list of all its rank and file employees.[7]

During the pre-election conference, petitioner submitted a list consisting of 165 names of its rank and file employees.[8] On January 30, 2008, PALU-NAFLU-KMU sent a letter to DOLE questioning sixty-four (64) names in the list.[9] Allegedly, said employees were not known to the other members of PALU-NAFLU-KMU. After the conduct of the certification election, the votes cast by said sixty-four (64) employees were ordered to be segregated and sealed in individual envelopes.[10]

Petitioner and PALU-NAFLU-KMU were directed by Med-Arbiter Michael Angelo T. Parado to file their respective position papers[11] concerning the sixty-four (64) segregated ballots. In an Order dated July 15, 2008,[12] Med-Arbiter Michael Angelo T. Parado ordered the sixty-four (64) segregated ballots to be opened and counted. In an Order dated September 3, 2008,[13] Med-Arbiter Alma E. Magdaraog-Alba held that PALU-NAFLU-KMU "cannot be certified as the sole and exclusive bargaining agent of all the rank and file workers of" petitioner because when the sixty-four (64) segregated ballots were opened and counted, it became clear that the employees preferred not to be represented.

PALU-NAFLU-KMU filed an appeal[14] with the Secretary of DOLE. While said appeal was awaiting resolution, private respondent filed with the DOLE a petition for certification election dated October 8, 2012.[15] Petitioner opposed private respondent's petition.[16]

In an Order dated November 23, 2012,[17] public respondent Med-Arbiter Marion S. Sevilla granted private respondent's petition for certification election and ordered the same to be conducted by the election officer among the regular rank and file employees of petitioner. Thus:

“WHEREFORE, premises considered, the petition is GRANTED. Accordingly, a certification election among all the regular rank and file employees of PAPERTECH, INC. is hereby ORDERED CONDUCTED by the Election Officer, subject to the inclusion-exclusion proceedings, with the following choices:

- 1.) PAPERTECH EMPLOYEES ASSOCIATION (PEAS)-ALU-TUCP; and
- 2.) No Union.

The petitioner and the company are hereby directed to submit with the Election Officer during the initial pre-election conference a certified list of employees in the bargaining unit, or where necessary, the payrolls covering the said bargaining unit for the last three (3) months prior to the issuance of this Order.

SO ORDERED.”

Petitioner filed a motion for reconsideration[18] of the Order dated November 23, 2012. During the pre-election conference held on January 11, 2013, public respondent Med-Arbiter Marion S. Sevilla treated petitioner's motion for reconsideration as a “protest on the conduct and result of the” certification election.[19]

During the pre-election conference held on January 15, 2013, private respondent submitted a notice of dissolution effective January 8, 2013.[20] The records of the case were then forwarded to the Regional Director for action.

In a letter dated January 18, 2013,[21] public respondent Med-Arbiter Marion S. Sevilla ordered the certification election to proceed, maintaining that voluntary dissolution is just one of the grounds for cancellation of registration of labor organizations. Thus:

“Ms. Malou,

Please proceed with the conduct of Certification Election. Section 3, Rule XIV of D.O.40F-03 provides 'voluntary dissolution by the members' as just one of the grounds for cancellation of registration of labor organization; as such cancellation of registration is not automatic even if there is submission of the requirements provided therein. Consequently, until and unless the Regional Director declares the cancellation of union's registration by reason of voluntary dissolution, conduct of Certification Election shall proceed.

Atty. Marion”

Thus, petitioner filed the present petition for certiorari and prohibition which is premised on the following grounds:

“A.

THE HONORABLE MED-ARBITER ACTED WITHOUT OR IN EXCESS OF ITS JURISDICTION IN PROCEEDING WITH THE CERTIFICATION ELECTION NOTWITHSTANDING THE PENDENCY OF PALU-NAFLU-KMU'S APPEAL WHICH UNDER DEPARTMENT ORDER NO. 40-03 SUSPENDS THE RUNNING OF THE ONE-YEAR PERIOD.

B.

THE HONORABLE MED-ARBITER ACTED WITHOUT OR IN EXCESS OF ITS JURISDICTION IN PROCEEDING WITH THE CERTIFICATION ELECTION NOTWITHSTANDING THE VOLUNTARY DISSOLUTION OF PEAS-ALU-TUCP.”[22]

THE ISSUE

Whether public respondent Med-Arbiter Marion S. Sevilla committed grave abuse of discretion in ordering the certification election to proceed despite PALU-NAFLU-KMU's appeal before the Secretary of DOLE and private respondent's notice of voluntary dissolution.

THE COURT'S RULING

Petitioner argues that “a petition for certification election is not allowed pending appeal from the order of the Med-Arbiter because at this time, there is yet no declaration of final certification result.” Allegedly, “PALU-NAFLU-KMU's appeal is still pending resolution” by the Secretary of DOLE and “it is the Honorable DOLE Secretary that has jurisdiction” over the same, not the Med-Arbiter.[23] Furthermore, “assuming arguendo that the Honorable Med-Arbiter can rule on the Appeal, it is nonetheless clear that the 15 July 2008 Order could not possibly be considered interlocutory because there is nothing else to be done after the contested ballots were ordered opened and counted.”[24]

It must be stated at the outset that when the sixty-four (64) segregated ballots of PALU-NAFLU-KMU were opened and counted, the votes for “No Union” won. Thus, PALU-NAFLU-KMU was not certified as petitioner's sole and exclusive bargaining unit, per Order dated September 3, 2008.[25]

It is basic that a certification election is the process of determining the sole and exclusive bargaining agent of the employees in an appropriate bargaining unit for purposes of collective bargaining. Collective bargaining refers to the negotiated contract between a legitimate labor organization and the employer concerning wages, hours of work and all other terms and conditions of employment in a bargaining unit.[26]

Article 257 of the Labor Code, as amended, explicitly provides that a certification election shall be automatically conducted upon the filing of a petition by a legitimate labor organization in unorganized establishments. Thus:

“ART. 257. PETITIONS IN UNORGANIZED ESTABLISHMENTS

In any establishment where there is no certified bargaining agent, a certification election shall automatically be conducted by the Med-Arbiter upon the filing of a petition by a legitimate labor organization.”

Jurisprudence teaches that the employer's participation in matters concerning labor, particularly the choice of a collective bargaining representative, is frowned upon and deserves no encouragement. While employers may rightfully be notified or informed of petitions of such nature, they should not, however, be considered parties thereto with an inalienable right to oppose it.[27] Thus:

“Even if there was no procedural flaw on the part of respondent, still the Appellate Court should have denied respondent's petition for certiorari. We have held that “in certification elections, the employer is a bystander, it has no right or material interest to assail the certification election.”

Thus, when a petition for certification election is filed by a legitimate labor organization, it is good policy of the employer not to have any participation or partisan interest in the choice of the bargaining representative. While employers may rightfully be notified or informed of petitions of such nature, they should not, however, be considered parties thereto with an inalienable right to oppose it.”

Public respondent Med-Arbiter Marion S. Sevilla cannot be said to have acted arbitrarily when he ordered the

conduct of a certification election based on the petition filed by private respondent. As pointed out in his Order dated November 23, 2012, “there exists no certification election ban to prevent the conduct of another certification election in the company,” and a certification election in an unorganized establishment, like petitioner, must be immediately conducted. Thus:

“Examination of the records shows that the appeal that the company (petitioner) is citing as a ban to the conduct of a certification election, as pointed out by the petitioner, is an appeal from the Order of the Med-Arbiter directing the opening and counting of the segregated ballot. Clearly, the Order is an interlocutory one which cannot be subject to appeal. True enough, the appeal was not taken into consideration and the Order dated 3 September 2008 finally disposing of the certification election was issued. Consequently, there exists no certification election ban to prevent the conduct of another certification election in the company.

Furthermore, the company is unorganized and, and as embodied in Article 257 of the Labor Code, as amended, when the petition is filed by a legitimate labor organization in an unorganized establishment, the certification election should immediately be conducted.”[28]

Petitioner further posits that the petition for certification election filed by private respondent should not have proceeded because with its voluntary dissolution, it lost “its standing to file a petition for certification election and to represent the members of the rank and file employees for purposes of collective bargaining since there is no more union to speak of.” Allegedly, “unlike inter/intra-union disputes, voluntary dissolution of a union does not require the adjudication of rights and claims between parties,” “it is simply an exercise by the union members of their corollary right to disassociate on their own which must be recognized and respected by the State.”[29]

It suffices to stress that there is no showing that a decree of voluntary dissolution or final order cancelling private respondent's registration as a legitimate organization has been issued. Moreover, although private respondent's notice of dissolution was mentioned in the minutes of the pre-election conference held on January 15, 2013, private respondent “manifested that the C.E. (certification election) must proceed per D.O. 40” and that “the mgt. (management) is just a mere by-stander of this proceedings.”[30] There is nothing in said minutes indicating that private respondent backed out of its intention to conduct a certification election. Thus, public respondent Med-Arbiter Marion S. Sevilla was correct in ordering the certification election to proceed.

Noteworthy is the following ruling of the Secretary of DOLE in In Re: Petition for Direct Certification/Consent of Certification Election Among the Rank-and-File Employees of Paragon Printing Corporation:

“The union is the real party in interest in a petition for certification election, and absent a decree of voluntary dissolution or a final order cancelling its registration as a legitimate organization, the resignation of some of its officers and members will not adversely affect its standing and its petition for certification election. More importantly, the rank-and-file bargaining unit sought to be constituted is existing hence, there is no basis in holding that the petition for certification election has been mooted by the resignations.

“The Rules is (sic) unambiguous when it mandated that a certification election shall automatically be conducted by the Mediator-Arbiter upon the filing of a petition by a legitimate organization in unorganized establishment. Thus, since the subject bargaining unit is unorganized, the Mediator-Arbiter has no choice but to order the conduct of the certification election conformably with the law.”[31]

As held by the Supreme Court in *Samahan ng mga Manggagawa sa Samma-Lakas sa Industriya ng Kapatirang Haligi ng Alyansa (SAMMA-LIKHA) vs. Samma Corporation*:

“Furthermore, the grounds for dismissal of a petition for certification election based on the lack of legal personality of a labor organization are the following: (a) petitioner is not listed by the Regional Office or the Bureau of Labor Relations in its registry of legitimate labor organizations or (b) its legal personality has been

revoked or cancelled with finality in accordance with the rules.

As mentioned, respondent filed a petition for cancellation of the registration of petitioner on December 14, 2002. In a resolution dated April 14, 2003, petitioner's charter certificate was revoked by the DOLE. But on May 6, 2003, petitioner moved for the reconsideration of this resolution. Neither of the parties alleged that this resolution revoking petitioner's charter certificate had attained finality. However, in this petition, petitioner prayed that its charter certificate be "reinstated in the roster of active legitimate labor [organizations]." This cannot be granted here. To repeat, the proceedings on a petition for cancellation of registration are independent of those of a petition for certification election. This case originated from the latter. If it is shown that petitioner's legal personality had already been revoked or cancelled with finality in accordance with the rules, then it is no longer a legitimate labor organization with the right to petition for a certification election."^[32]

Verily, there is grave abuse of discretion only when a court, board, tribunal or official acts in a capricious, whimsical, arbitrary or despotic manner in the exercise of judgment as to be equivalent to lack of jurisdiction.^[33] No grave abuse of discretion has been shown to exist in the present case, since the assailed Orders of public respondent are in accordance with law and settled jurisprudence.

WHEREFORE, the petition is denied for lack of merit.

SO ORDERED.

Sorongon[*] and Manahan[**], JJ., concur.

[*] Vice Associate Justice Myra V. Garcia-Fernandez, per Office Order No. 240-14-ABR dated May 23, 2014

[**] Vice Associate Justice Francisco P. Acosta, per Office Order No. 241-14-ABR dated May 23, 2014

[1] pp. 26-30, Rollo

[2] p. 36, Ibid.

[3] p. 38, Ibid.

[4] p. 40, Ibid.

[5] p. 165, Ibid.

[6] p. 7, Ibid.

[7] p. 41, Ibid.

[8] pp. 51-64, Ibid.

[9] pp. 41-42, Ibid.

[10] pp. 42-43, Ibid.

[11] pp. 40-49, Ibid.; pp. 141-148, Ibid.

[12] pp. 149-155, Ibid.

[13] pp. 191-192, Ibid.

[14] pp. 156-164, Ibid.

[15] pp. 165-167, Ibid.

[16] pp. 170-174, Ibid.

[17] pp. 26-30, Ibid.

[18] pp. 31-35, Ibid.

[19] p. 36, Ibid.

[20] p. 37, Ibid.

[21] p. 38, Ibid.

[22] p. 9, Ibid.

[23] p. 11, Ibid.

[24] p. 12, Ibid.

[25] pp. 191-192, Ibid.

[26] Honda Phils, Inc. vs. Samahan ng Malayang Manggagawa sa Honda, 460 SCRA 186, June 15, 2005

[27] SMC Quarry 2 Worker's Union-FSM Local Chapter No. 1564 vs. Titan Megabags Industrial Corp., 428 SCRA 524, May 19, 2004

[28] pp. 27-28, Rollo

[29] p. 15, Ibid.

[30] p. 37, Ibid.

[31] In OS-A-5-1-08, August 19, 2008. (Lex Libris)

[32] 581 SCRA 211, March 13, 2009

[33] Arsenio Reyes vs. Court of Appeals, 328 SCRA 864, March 27, 2000

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.