

DIWA NG PAGKAKAISA-PAFLU, PETITIONER, VS. FILTEX INTERNATIONAL CORPORATION (FORMERLY YUPANGCO COTTON MILLS, INC.) AND THE COURT OF INDUSTRIAL RELATIONS, RESPONDENTS.

G.R. Nos. L-23960-61. February 12, 1972

Ponente: MAKALINTAL, J.

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MAKALINTAL, J.:

Petition for certiorari to review the decision dated August 29, 1964 and the resolution en banc dated November 23, 1964 of the Court of Industrial Relations in Cases Nos. 2735-ULP and 2741-ULP.

On February 19, 1961 two (2) dismissed employees of the respondent Filtex International Corporation (formerly known as the Yupangco Cotton Mills, Inc.), together with several companions who were admittedly not connected with respondent corporation either as employees or former employees, decided to put up a picket line in the premises of the corporation to compel its management to reinstate them to their former positions after earlier efforts toward that end proved unsuccessful. When the employees on the third shift reported for work at midnight of that date they saw the picket line and decided not to cross the same. The next day, February 20, the employees on the morning shift did likewise.

Due to the impasse created one Jose Abejero, an employee on the morning shift who was then secretary of petitioner Diwa Ng Pagkakaisa Labor Union, seeing that the workers could not enter freely because of the picket, thought of reporting the incident to the officials of the PAFLU, the national labor organization to which the Diwa Ng Pagkakaisa was affiliated. Together with the president and the vice-president of petitioner union, whom Abejero had earlier fetched from their respective homes, they contacted Florentino Cruz, organizer of the PAFLU. That same afternoon, primarily as a result of Cruz' intervention, the picketers lifted their picket line. The management admitted the employees who had earlier remained outside, but refused admission to the officers of the union. Thus on the afternoon of February 20 the temporary work stoppage caused by the picket put up by the two (2) dismissed employees and their companions appeared to have come to an end.

On February 22, 1961 the union sent a letter to respondent corporation requesting the officers' immediate reinstatement and claiming that their non-admission was "an act of discrimination." On February 24 following, respondent corporation formally defined its stand that it considered the February 19 strike " * * * in violation of the existing laws of the Philippines and the Collective Bargaining Agreement and its supplements executed between the union and the company." On that ground it refused to readmit said officers, explaining that since the strike was illegal they should be made to suffer the consequences.

Because of the adamant attitude of the corporation the workers and employees called a strike on February 26, 1961. On March 22, 1961 they sent word to the corporation that "for the sake of industrial peace they are offering to return to work immediately," setting 7:00 o'clock a.m., Friday, March 24, 1961, as the time they intended to officially report for work. Respondent corporation, in a letter dated March 23, 1961, expressed willingness to

accept the offer but nevertheless reasserted its position that insofar as "the officers and board members of the union and all those who committed any acts of violence or crimes punishable under the Revised Penal Code or Municipal Ordinance" were concerned, their readmission was out of the question.

Two cases were filed in the Court of Industrial Relations as a result of the disagreement: No. 2735-ULP (Diwa Ng Pagkakaisa-PAFLU, complainant, vs. Yupangco Cotton Mills, Inc., respondent) and No. 2741-ULP (Yupangco Cotton Mills, Inc., complainant, vs. Diwa Ng Pagkakaisa-PAFLU, et al., respondents). In Case No. 2735-ULP, the union charged the company with unfair labor practice, invoking section 4 (a), sub-paragraphs 1 and 4 of Republic Act No. 875,[1] in that the company refused to give work to the officers of the union as well as to the listed members thereof simply because of their union affiliation. The union prayed, inter alia, that the company be declared guilty of unfair labor practice as charged and that the dismissed members of complainant union be reinstated to their former positions with full backwages from the time of their dismissal up to the time of their actual reinstatement.

The complainant in case No. 2741-ULP, on the other hand, charged the union as well as its officers and the members named therein with unfair labor practice in declaring a strike on February 19, 1961 in violation of the existing collective bargaining agreement,[2] particularly its no-strike and grievance machinery clauses, and in prosecuting the said strike with violence and intimidation against the officers of the company, committed in the presence and with the consent and ratification of the officers of the union.

After a joint trial of the two cases - the matters involved being closely related and the parties the same - the court a quo rendered a decision dated August 29, 1964, the dispositive part of which reads:

"IN VIEW OF ALL THE FOREGOING ESTABLISHED FACTS, the Court hereby declares the strike, staged by the members of the Diwa ng Pagkakaisa against the Filtex International Corporation (formerly Yupangco Cotton Mills) as illegal, and likewise declares the termination of the status of those employees and workers of the company responsible therefor. All the rest shall be reinstated. Those who have pending criminal cases connected with, or, related to the deliberation of, or in carrying out the strike shall, in the meanwhile, in view thereof, be suspended.

"SO ORDERED."

A subsequent motion for reconsideration filed by herein petitioner was denied by the court en banc on November 23, 1964. Hence the instant petition for review.

Petitioner has assigned three (3) errors allegedly committed by the court a quo, namely: (1) in declaring the February 19, 1961 stoppage of work as an illegal strike; (2) in holding that the strike of February 26, 1961 by members of the union was a mere continuation of the February 19 strike; and (3) in not ordering the reinstatement with backwages of all the members of the union listed in annex "A" of the complaint in Case No. 2735-ULP, as well as of the union officers.

In its petition for review the union does not question that part of the decision ordering the reinstatement of "all the rest of the workers" but prays that said decision be set aside and another one promulgated "* * * ordering also the reinstatement of the officers of the union and ordering further the payment of backwages to all so ordered reinstated including the officers of the petitioner union, from February 26, 1961 to date of their actual reinstatement, by the respondent company or in the alternative, even only from March 3, 1963, supposed last day for the rendition of the decision of respondent Court according to Republic Act 875 in these cases, to date of their reinstatement."

The basic issue is whether or not the refusal of respondent corporation to reinstate the officers and members of the

union enumerated in annex "A" of the complaint in case No. 2735-ULP was justified in the light of the facts and circumstances.

The corporation's refusal to readmit the affected employees is sought to be justified on the ground that the February 19, 1961 stoppage of work was an illegal strike having been staged in violation of the existing collective bargaining agreement between the union and the corporation. The specific provisions thereof alleged to have been violated are the no-strike and the grievance procedure clauses.

The two questions that present themselves are: (1) Was the stoppage of work on February 19, 1961 due to a strike?; and (2) Were the officers of the union responsible therefor?

On the first question the record does not reveal any reason why a strike should be declared on the aforesaid date. There were no union demands that had been categorically refused; in fact negotiations were going on between the parties, under the supervision of the Department of Labor, in connection with a previous notice of strike filed in November 1960. There had been no deliberations by the union officers, no decision by them to order the members to stop working. Indeed, as far as can be gathered from the decision appealed from, it was only the midnight shift of workers who initially did not want to cross the picket put up by two dismissed employees. When they showed up at the company premises it was for the purpose of reporting for work, but desisted from doing so at the last minute. It is not disputed either that the union, through its officers, lost no time in putting an end to the incident, after Jose Abejero, the secretary of the union, together with its president and vice-president and a representative of the PAFLU, prevailed upon the employees to resume their work.

Respondent Court makes much of the letter of the PAFLU dated February 22, 1961 and addressed to the company, and draws therefrom the conclusion that the "members and officers of the union, out of sympathy for their two dismissed and picketing companions * * * decided to strike and did in fact strike and joined the picket * * *" (and) that "such behavior of the officers and members of the union was in violation of the law." We do not see the terms of the said letter in that light. It was a letter protesting the non-admission to work of all the officers of the union "for no valid reason at all," and recounting what happened on February 19, 1961 as follows:

"* * * It appears that there was an incident that took place Sunday evening on the 3rd shift where two of dismissed employees picketed the plant protesting their dismissal. We also found that all the employees, seeing that their two workers picketed, did not cross the picket line to report for work. Last Monday, the workers reported for work and were all admitted except the officers of the Union."

From all the facts and circumstances, as shown by the pleadings and by the decision of the trial court itself, we find no reason to consider the stoppage of work in the night of February 19, 1961 as a strike declared in violation of the no-strike clause of the collective bargaining agreement or which should have been preceded by a recourse to the grievance procedure established, let alone a strike for which the officers of the union should be held responsible. They took steps to get the situation back to normal as soon as they were notified about it; and good labor-management relations as well as the broader imperatives of industrial peace dictated that the spontaneous recalcitrance of some employees, which after all had been settled without unnecessary delay, should not be made an excuse to punish the union officers. If the said employees were readily admitted back to work there is no reason why the officers, through whose efforts the incident was settled, should deserve a different treatment.

The trial court found that the strike of February 26, 1971 was merely a continuation of the strike of February 19. This finding is not justified. As already noted, work was resumed in the afternoon of February 20, 1961, and all the employees were readmitted except the union officers. In other words the incident of February 19 was already closed; and if a strike was called on February 26 it was because the readmission of the said officers, as demanded in the letter of the union dated February 22, was refused. Since such refusal appears to be groundless, the fact that

a strike was called on February 26, 1961 would not affect the resolution of this case, the only issue here being the legality or illegality of the alleged strike of February 19.

WHEREFORE, the decision appealed from is hereby modified by ordering the reinstatement of the officers of the union who were refused admission by the respondent, with backwages from the date of such refusal less whatever amounts earned by them from other employment during the same period or could have been earned with the exercise of reasonable diligence. In assessing the backwages the guidelines indicated by this Court in the case of *Itogon-Suyoc Mines, Inc. vs. Sangilo-Itogon Workers' Union*, G.R. No. L-24189, August 30, 1968, and subsequently applied in *East Asiatic Co., Ltd., et al. v. CIR*, G.R. No. L-29068, August 31, 1971, should be observed, as follows:

"First. To be deducted from the back wages accruing to each of the laborers to be reinstated is the total amount of earnings obtained by him from other employment(s) from the date of dismissal to the date of reinstatement. Should the laborer decide that it is preferable not to return to work, the deduction should be made up to the time judgment becomes final. And these, for the reason that employees should not be permitted to enrich themselves at the expense of their employer. Besides, there is the 'law's abhorrence for double compensation.'

Second Likewise, in mitigation of the damages That the dismissed respondents are entitled to account should be taken of whether in the exercise of due diligence respondents might have obtained income from suitable remunerative employment. We are prompted to give out this last reminder because it is really unjust that a discharged employee should, with folded arms, remain inactive in the expectation that a windfall would come to him. A contrary view would breed idleness; it is conducive to lack of initiative on the part of a laborer. Both bear the stamp of undesirability."

The record of this case is ordered remanded to the Court of Industrial Relations with instruction to ascertain the amount of backwages due to the union officers involved, in accordance with the guidelines hereinabove set forth.

Costs against respondent Filtex International Corporation.

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

Reyes, J.B.L., J., took no part.

[1] "Sec. 4. Unfair Labor Practice.

(a) It shall be unfair labor practice for an employer:

(1) To interfere with, restrain or coerce employees in the exercise of their rights guaranteed in section three;

* * * * *

(2) To discriminate in regard to hire or tenure of employment to encourage or discourage membership in any labor organization: * * *"

[2] Entered into on September 29, 1959 for a term of three years, with an automatic renewal clause.

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