

COTO LABOR UNION (NLU), PETITIONER, VS. JOSE C. ESPINAS, ET AL., RESPONDENTS.

G.R. No. L-21152. September 30, 1965

Ponente: CONCEPCION, J.

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CONCEPCION, J.:

This is a petition for review of an order of the Presiding Judge of the Court of Industrial Relations and a resolution of said court en banc affirming the aforementioned order, the dispositive part of which reads:

"IN VIEW OF ALL THE FOREGOING , Atty. Jose Espinas is hereby awarded, as attorney's fees, the amount of 15% of the P300,000.00 given to the Coto Labor Union by the Benguet Consolidated Mining Company in settlement of the cases, less the amount of P339.20 advanced to him by the Philippine Transport Workers Organization for the account of the Coto Labor Union; and Atty. Eulogio Lerum is hereby awarded the amount of 10% of the said P300,000.00 as attorney's fees. For this purposes, the amount due Attys. Espinas and Lerum should be segregated from the rest of the amount now deposited with this Court before the same is released for distribution to the members of the aforementioned union."

On August 17, 1956, the Coto Labor Union (NLU), hereinafter referred to as the Union, engaged the services of respondent, Jose C. Espinas, as its counsel, on a contingent basis, in case No. 1029-V of the Court of Industrial Relations, and undertook to pay him, by way of honorarium, 20% of "any amount due the union or its members as a result of the case whether by action or by settlement x x x and to set aside x x x Five Percentum from any amount recovered by action or settlement to guarantee the payment of x x x advances made by the Philippine Transport Workers Organization", to meet the expenses incidental to said case. Subsequently, or on February 21, 1961, the Union again contracted the services of Atty. Espinas "for the purpose of recovering Union funds in the hands of the Benguet Consolidated Mining Company, docketed as Case No. 1029-V (2)". The compensation agreed upon was "25% of whatever amount that may be collected" from said mining company. Moreover, Atty. Espinas rendered legal services to the Union in connection with a strike called by the same, in addition to preparing briefs and memoranda in cases G. R. Nos. L-12000, L-12394 and L-17202 of the Supreme Court, all of which were decided in favor of the Union. Subsequently, cases Nos. 1029-V and 1029-V (2) were settled amicably by the aforementioned mining company and the Union, without the intervention of the latter's counsel, for the sum of P300,000.00 to be paid to the Union.

The record further shows that the Union had also engaged the services of respondent Eulogio R. Lerum to assist Atty. Espinas in said cases Nos. 1029-V and 1029-V and 1029-V (2), and, also, in cases 630-ULP and 631-ULP of the Court of Industrial Relations, and that, in fact, Atty. Lerum filed pleadings in said cases and appeared at the hearings thereof, on behalf of the Union.

Shortly after the aforementioned amicable settlement, Atty. Espinas and Atty. Lerum filed with the Court of Industrial Relations a petition praying that 15% and 10% of the sum of P300,000.00, which the mining company had agreed to pay to the Union, and part of which had been deposited with the Court of Industrial Relations, be held subject to the charging lien of Atty. Espinas and Atty. Lerum, respectively, for the services rendered by them

as above stated.

The Union objected to said petition upon the ground that the amounts sought to be recovered by respondents are excessive and unconscionable; that the Union has had no contractual relation with Atty. Lerum, his services having been allegedly engaged, not by the Union, but by Atty. Espinas; and that the amount sought to be collected by Atty. Lerum, which the Union admits to be reasonable, should, accordingly, be deducted from the 15% claimed by Atty. Espinas.

After appropriate proceedings, the Presiding Judge of the Court of Industrial Relations issued the order complained, of, which, on motion for reconsideration filed by the Union, was affirmed by said Court en banc. Hence, this petition for review by the Union.

Atty. Espinas maintains that his claim of 15% of the sum collectible by the Union under its compromise agreement with the mining company, exclusive of the compensation due to Atty. Lerum, is just and equitable, considering, not only that his (Espinas') stipulated honorarium was 25% of the amount due the Union, but, also, because his work covered a period of over six (6) years. Upon the other hand, the Union argues that its original willingness to pay said rate of fees to Atty. Espinas had been due to his assurance that the Union would recover not less than two million pesos in the cases aforementioned. The Union further avers that, in view of the amicable settlement between the parties in said cases, Atty. Espinas did not have to work as much as, otherwise, he would have had to.

It should be noted, however, that the written contract between the Union and Atty. Espinas explicitly stipulated in his favor an aggregate compensation of 25% of "any amount due the Union or its members as a result of the case (No. 1029-V) whether by action or settlement x x x". Moreover, the Court of Industrial Relations held - and the records do not show that this finding is erroneous - that Atty. Espinas had never given the assurance imputed to him by the Union. In the language of the order appealed from, said respondent had merely

"estimated that, aside from the amount involved in the original Case No. 1015-V which was withdrawn and refiled as Case No. 1029-V which amounted to more than one million pesos, the back wages, assuming that there would be no return to work, might reach around six million pesos (p. 47, Nov. 10, 1962). If the said expected amount was not realized, is certainly was not the fault of Atty. Espinas as the cases were settled amicably. It is the observation of this Court that in cases of settlement, the full amount claimed are not usually secured by the claimant."

Again, the Court of Industrial Relations, before which the bulk of the cases handled by Atty. Espinas were heard, is in a better position than we are to assess the nature and value of the services by him rendered to the Union. At any rate, after going over the records of said cases, as well as those of G. R. Nos. L-12000, L-12394 and L-17202 of this Court, and taking into account that said services had been rendered for over six (6) years and that the fees had been fixed on a contingent basis, we are not prepared to disturb the conclusion reached by the Court of Industrial Relations as regards the amount due to Atty. Espinas, exclusively, for his aforementioned services.

As regards the fees collectible by Atty. Lerum, suffice it to note that the President of the Union had categorically stated that the services of this respondent were not only satisfactory, but, also, reasonably worth the amount claimed by him. Although the Union would have us believe that it had never asked or authorized Atty. Lerum to appear as its counsel, that it was Atty. Espinas who engaged his services, and that the honorarium of Atty. Lerum should, accordingly, be paid by Atty. Espinas, the major premise of this syllogism is disproved by the record, and, as a consequence, the conclusion reached by the Union is untenable. As stated in the order appealed from:

"The evidence, however, shows that Atty. Lerum was hired by the union president to help Atty. Espinas in Cases Nos. 1029-V, 1029-V (2), 630-ULP and 631-ULP. And the records further show that in the pleadings

filed with this Court as well as in the Supreme Court, Atty. Lerum appeared as counsel of the Coto Labor Union and was recognized as such by the said courts. As a matter of fact, in the Order dated May 24, 1962 in Cases Nos. 1029-V and 1029-V(2), Atty. Lerum, in behalf of the Coto Labor Union, asked for the withdrawal of the amount of P150,000.00 out of the P300,000.00 recovered by the union. In all of the aforementioned pleadings and orders, the Coto Labor Union never questioned nor disowned the representation of Atty. Lerum. The Court believes that Atty. Lerum was engaged as counsel of the Coto Labor Union and his appearance was separate and distinct from that of Atty. Espinas and should be duly compensated for the satisfactory services rendered independently of whatever is due Atty. Espinas. To the mind of the Court, the rate of 10% of the amount recovered is a reasonable amount which should be granted Atty. Lerum as attorney's fees."

Wherefore, the order and the resolution appealed from are hereby affirmed, with costs against the petitipner, Coto Labor Union. It is so ordered.

Reyes, J. B. L., Regala, Makalintal, Bengzon, J. P., and Zaldivar, JJ., concur.

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