

NATIONAL BREWERY & ALLIED INDUSTRIES LABOR UNION (PAFLU), PETITIONER, VS. HON. GAUDENCIO CLORIBEL, AS PRESIDING JUDGE OF BRANCH VI, COURT OF FIRST INSTANCE OF MANILA, SAN MIGUEL...

G.R. No. L-25171. August 17, 1967

Ponente: ANGELES, J.

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ANGELES, J.:

Before Us is a petition for certiorari with pre-liminary injunction seeking to set aside the order, dated April 25, 1964, issued in Civil Case No. 56563 of the Court of First Instance of Manila, presided by the respondent Judge, which is of the following tenor:

"When this case was called today, the attention of this Court was in-vited to the fact that the subject-matter involved in this case is practically about Unfair Labor Prac-tices provided for under Republic Act No. 875 which falls under the jurisdiction of the Court of In-dustrial Relations.

"That there is actually pend-ing before the CIR - Case No. 4128 -pertaining to the questions in-volved in this case.

"WHEREFORE, finding that the Court of Industrial Relations has the jurisdiction to settle the case, the Court orders that this case be held in abeyance until the Court of Industrial Relations has finally decided such case. In the meantime, the money in the hands of the San Miguel Corporation intended for de-livery to the rightful party should be deposited with this court."

The petition is specifically directed against that por-tion of the aforequoted order requiring the deposit with the court of the money in the hands of the San Miguel Corporation.

The case is set upon the following antecedents:

On March 18, 1964, the National Brewery & Allied Industries Labor Union (PAFLU) filed a petition for pro-hibition with preliminary injunction against the San Miguel Corporation, the Philippine Banking Corporation and the Philippine National Bank, in the Court of First Instance of Manila where the case was docketed as Civil Case No. 56563, alleging that petitioner is the collect-ive bargaining representative of the workers of the San Miguel Corporation; that in the biennial election of pe-titioner's officers held on November 7, 1963, wherein the faction of Antonio Santos defeated the faction of Charles Mitscheck, said Antonio Santos and Bonifacio Flores were elected president and treasurer of the union, respectively; that in view of the refusal of the Committee on Elections to certify the result of the elections to the National Council, and conformably to Section 3, Article VII of the Constitution and By-Laws of the union, the incumbent officers whose term of office would expire on December 31, 1963, would remain as hold-over officers until their successors have been duly elected; that under the collective bargaining agreement between petitioner and the San Miguel Corpo-ration the latter "will make payroll deductions of dues and assessments of members of the union" and "All de-ductions made by the

Company will be remitted to the treasurer of the Union within a reasonable time after each payday"; that petitioner had the amounts of P150,967.15 and P6,478.54 deposited with the Philippine Bank-ing Corporation and the Philippine National Bank, res-pectively; that on March 11, 1964, Charles Mitscheck notified the San Miguel Corporation in writing that in an election of officers held on February 19, 1964, he was elected president and Bonifacio Flores as treasurer of the union, advising the company to "remit all payroll deductions of union dues and assessments of members of our union only to the national treasurer, Mr. Bonifacio Flores, within a reasonable time after each payday"; that the "pretensions of Charles Mitscheck x x x have no basis in fact and in law x x x, and he together with the officers allegedly elected on February 19, 1964 do not have any right whatsoever to arrogate unto themselves the power and prerogatives of the legitimate officers of the Petitioner"; that Mitscheck sent analogous written notifications concerning his alleged election as president to the Philippine National Bank and the Philippine Bank-ing Corporation and by reason of said notifications, the banking institutions have refused to honor the checks drawn by petitioner against its deposits in said banks; that such refusal of the banks has paralyzed the affairs of the union, especially in money matters, and by so re-fusing the banks have acted illegally, in excess of authority and with grave abuse of discretion. The peti-tion concludes with a prayer for an ex-parte preliminary injunction to restrain the banks from honoring the claims and pretensions of Charles Mitscheck or from having any transaction with him in the name and in representation of the union.

On April 25, 1964, the respondent Judge issued the questioned order the text of which is quoted hereinabove.

In answer to the petition, the San Miguel Corpora-tion prayed that the two sets of officers - one headed by Antonio Santos and another by Charles Mitscheck - who are both claiming the authority to receive the union dues and assessments, should be required to interplead and litigate their conflicting claims. As prayed for, the respondent Judge ordered the two sets of officers to in-terplead and litigate their adverse claims.

The faction of Charles Mitscheck, under the name of "Workers' Union of San Miguel Corporation", duly re-gistered with the Department of Labor under certificate No. 4335-IP issued on October 20, 1964, filed its plead-ing in intervention in due time claiming that Charles Mitscheck is the representative of the union duly autho-rized to deal with the San Miguel Corporation.

On May 24, 1964, the faction of Antonio Santos and the clique of Charles Mitscheck, through their respective counsel of record, entered into an agreement to submit their controversy to an arbitrator, in the person of his Honor, Judge Arsenio J. Martinez, Presiding Judge of the Court of Industrial Relations, stipulating "that the award and/or decision to be rendered in the arbitration case shall be final and binding upon all the parties in this case."

On May 19, 1966, the arbitrator rendered a decision declaring that Antonio Santos (President) and Bonifacio Flores (National Treasurer), among others, "are the elected officers and members of the National Council of the respondent Union for the years 1964-1965 and there-fore the lawful party to have administered the collective bargaining contract, 1962-1965".

THE CASE BEFORE THIS COURT -

On October 23, 1965, while the arbitration proceed-ing was pending and before a decision could be rendered therein, the National Brewery & Allied Industries Labor Union (PAFLU), petitioner in Civil Case No. 56563 of the Court of First Instance of Manila, filed before Us the instant petition for certiorari with preliminary injunc-tion against Judge Gaudencio Cloribel, the San Miguel Cor-poration and the Philippine Banking Corporation, reiterat-ing in substance the allegations in the petition for pro-hibition in said Civil Case No. 56563. In addition, the petitioner alleges that on May 13, 1964, it filed a motion to lift the order complained of, on the ground that the respondent court "exceeded its authority and jurisdiction when it issued said order", which motion the court denied. Petitioner's stand is epitomized in paragraphs 15 and 16 of its petition as follows:

"15. That respondent Judge, by issuing the order of April 25, 1964, referred to Annex F hereof, (above referred to), which in effect holds itself without jurisdiction to settle the case, as it belongs to the Labor Court, and yet ordered for the deposit of the union dues, subject of the controversies therein, exceeded its authority and jurisdiction thereof, as such ancillary order like the order referred to in annex F could only be issued by the competent court who has jurisdiction over the main case to settle the said dispute; (Erlanger & Galinger, Inc. vs. Erlanger & Galinger Employees Association (NATU), L-11907, June 24, 1958). There is no disagreement, as the respondent Judge itself admitted, that Unfair Labor Practices cases are within the absolute jurisdiction of the Court of Industrial Relations: (See annex F; PAFLU, et al., vs. Barot, Judge, et al., 52 O. G., 6544, Sept. 29, 1956), and that any other matter of controversy which is interwoven with or interrelated to such Unfair Labor Practices are likewise within the absolute jurisdiction of said Labor Court (Lakas ng Pagkakaisa sa Peter Paul vs. Hon. Victoriano, et al., L-9290, Jan. 14, 1958; Benguet Consolidated v. Coto Labor Union, et al., L-12294, Jan. 23, 1958; SNB v. Hon. Victoriano, et al., L-12820, Dec. 20, 1957."

"16. That it is clear therefore from the foregoing authorities that respondent Judge exceeded his jurisdiction in ordering for the deposit of Union dues of Petitioner's Union as the question principally involved thereto as to who is the rightful set of officers of Petitioner's Union is concededly vested with the Court of Industrial Relations either in that pending UNFAIR LABOR PRACTICE CASE No. 4120 referred to in annex F, or in that Arbitration Case No. 1933-V, before said Labor Court and referred to in that Order marked annex H."

On October 26, 1965, this Court resolved to require the respondents to answer the petition and to issue a writ of preliminary injunction upon petitioner's filing of a bond in the sum of P500.00. The required bond having been filed, on October 28, 1965, a writ of preliminary injunction was issued "prohibiting enforcement of Judge Cloribel's order requiring deposit in the Court of First Instance."

Answering the petition, the Philippine Banking Corporation alleges that ". . . . it has absolutely no interest in the order complained of regardless of whether the order is sustained or set aside on any ground", and that it had not disregarded the injunction issued in the case.

The San Miguel Corporation alleges in answer to the petition that it had complied with the order of the respondent Judge to deposit in court the money and dues in its hands, intended for delivery to the rightful party.

On November 29, 1965, after securing prior leave of this Court to intervene, Charles Mitscheck, in his own behalf and in representation of his faction, filed an "Urgent alternative motion to dissolve the writ of preliminary injunction issued ex-parte or require the San Miguel Corporation to deposit the union dues or other assessments due Petitioner Labor Union with this Honorable Court or with any other court upon its discretion".

On December 3, 1965, this Court adopted a resolution, disposing amongst others, thus- ". . . . on intervenor's motion, respondent San Miguel Corporation is hereby ordered to deposit the Union dues and other assessments due and owing the union NABAILU-PAFLU, and those from time to time will be due and owing, with the Court of Industrial Relations".

Upon the pleadings and annexes thereto filed in the case, the main issue posed for resolution is whether or not the respondent Judge acted with jurisdiction or in excess thereof in ordering the deposit with the clerk of Court of First Instance of Manila of the dues and assessments deducted by the San Miguel Corporation from the monthly wages of the members of the union notwithstanding his findings that the same question is involved in case No. 4128-ULP (Unfair Labor Practices) before the Court of Industrial Relations.

If the only issues before the respondent court in Civil Case No. 56563 relate to the enforcement of the contractual obligation arising from the provisions of Section 2 of the Collective Bargaining Agreement, viz., whether or not the San Miguel Corporation may refuse to remit to the petitioning union the dues and assessments collected and deducted from the monthly wages of the members of the union, and, with respect to the impleaded banking

institutions, whether or not they may dishonor the checks drawn by the authorized representative of the union from its savings or current deposits with said banks, respondent court would undoubtedly have jurisdiction over the case. But a more fundamental issue is raised in paragraphs 12 and 13 of the petition in Civil Case No. 56563 - which of the two sets of officers re-presenting different registered labor unions within the industry have the authority to demand compliance and enforcement of Section 2 of the collective bargaining agreement, with power and authority to receive money owing to the union and to disburse the same in furtherance of the affairs of the union. Such an issue involves, as it does, "internal labor organization procedures" which falls within the exclusive cognizance of the Court of Industrial Relations (Phil. Ass. of Free Labor Union (PAFLU) vs. Padilla, et al., L-11722, Nov. 28, 1959), pursuant to Section 17 of Republic Act No. 875 providing as follows:

"SEC. 17. Rights and Conditions of Membership in Labor Organizations. -It is hereby declared to be the public policy of the Philippines to encourage the following internal labor organization procedures. A minimum of ten per-cent of the members of a labor organization may report an alleged violation of these procedures in their labor organization to the Court. If the Court finds, upon investigation, evidence to substantiate the alleged violation and that efforts to correct the alleged violation through the procedures provided by the labor organization's constitution or by-laws have been exhausted, the Court shall dispose of the complaint as in "Unfair Labor Practice cases.

x x x x x

(b) The members shall be entitled to full and detailed reports from their officers and representatives of all financial transactions as provided in the constitution and by-laws of the organization.

(c) They shall also have the right to elect officers by secret ballot at intervals of not more than two years and to determine and vote upon the question of striking or not striking or upon any other question of major policy affecting the entire membership of the organization.

x x x x x

(f) No officer, agent or member of a legitimate labor organization shall collect any fees, dues, or other contributions in behalf of the organization or make any disbursement of its money or funds unless he is provided with the necessary authority pursuant to its constitution or by-laws."

As previously held by this Court "one reason why cases involving the rights and conditions of membership in the union or organization are placed within the exclusive jurisdiction of the Court of Industrial Relations is "that said court is in a better position and is relatively more qualified than ordinary courts to determine said cases, dealing as it does with problems of management and labor x x x." (Phil. Land-Air-Sea Labor Union vs. Hon. Ortiz, et al., 103 Phil. 410.)

Indeed, even the respondent Judge shares the view that it is the Court of Industrial Relations which is vested with jurisdiction to determine the main issue involved in the case, not only because the controversy involves "internal labor organization procedures" but most fundamentally for the reason that Case No. 4128-ULP is pending before the Court of Industrial Relations in which the issue involved, according to the respondent Judge, is "the same question involved in this case". To hold, as the respondent Judge in effect held, that the subject-matter involved in Civil Case No. 56563 is about unfair labor practices provided under Republic Act No. 875, falling within the jurisdiction of the Court of Industrial Relations, and at the same time to require the deposit with the respondent court of the money in the hands of the San Miguel Corporation, as the respondent Judge required in the questioned order of April 25, 1964, is to act without or in excess of jurisdiction.

WHEREFORE, the order of April 25, 1964 of the respondent Judge is hereby set aside. No costs.

Reyes, J.B.L., Makalintal, Bengzon, Zaldivar, Sanchez, Castro, and Fernando, JJ., concur.

Concepcion, C.J., and Dizon, J., on official leave.

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