

DBP EMPLOYEES UNION-NATU, PETITIONER, VS. HON. JESUS Y. PEREZ, THE SHERIFF OF THE CITY OF MANILA AND DEVELOPMENT BANK OF THE PHILIPPINES, RESPONDENTS.

G.R. No. L-22584. May 30, 1972

Ponente: BARREDO, J.

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BARREDO, J.:

Two separate remedies: In G.R. No. L-22584, a petition for certiorari and prohibition relative to the writ of preliminary injunction issued by the Court of First Instance of Manila ordering the defendants, Development Bank of the Philippines Employees Union (DBPEU-NATU), Delia P. Medina, as president of DBPEU and National Trade Union (NATU) in Civil Case No. 54374 of said court to "refrain from proceeding with the holding and staging of their announced labor strike against the plaintiff (Development Bank of the Philippines), until further orders from this Court"; and in G.R. No. L-23083, the appeal of the same defendants from the final judgment of the said court in the same case reading as follows:

"IN VIEW OF THE FOREGOING, the Court hereby renders judgment ordering defendant Development Bank of the Philippines Employees Union to pay plaintiff the sum of P13,978.38 for actual damages and losses of plaintiff resulting from the July 2, 1963 strike, the sum of P131,589.30 for the eleven-day period of strike from March 4 to March 14, 1964 and to pay the costs.

"Defendant DBPEU is hereby enjoined to comply with its agreement Exhibit 'D' and collective bargaining agreement Exhibit 'C' with plaintiff not to resort to strike and other non-peaceful measures of the attainment of its objectives.

"The complaint and supplemental complaint with respect to defendants Delia P. Medina, Rodolfo Paet and the National Trade Union (NATU) are hereby declared dismissed.

"The resolution on the plaintiff's motion to declare the defendants in contempt of Court for alleged violation of the writ of preliminary injunction issued on July 27, 1963 is hereby held in abeyance until the Supreme Court has resolved the question of the legality of said writ.

"SO ORDERED."

Main basis for both remedies is the alleged lack of jurisdiction of the trial court to take cognizance of the case, the same being a labor dispute involving unfair labor practices falling within the exclusive jurisdiction of the Court of Industrial Relations. With specific reference to the aforementioned writ of preliminary injunction, the same is assailed as illegal and void not only because of the want of jurisdiction of the court over the main case but also because, independently of whether or not the court could take cognizance of said main case, it had no jurisdiction to issue the injunction enjoining the staging of the strike declared or about to be declared by said defendants against plaintiff.

Our view of the nature of these cases makes it unnecessary for Us to refer to the actual facts that gave rise to the

filing by the herein respondent and appellee Development Bank of the Philippines with respondent court of Civil Case No. 54374. For one thing, inasmuch as the strike involved in these cases started on March 4, 1964, according to the complaint below, and it is agreed by the parties that the same ended with a return-to-work agreement on March 20, 1964, and the only purpose of the petition for certiorari and prohibition in G.R. No. L-22584 was to stop the enforcement of the writ of preliminary injunction issued by respondent court enjoining the staging of the said strike, upon the authority of *Progressive Labor Association vs. Villasor*, G.R. No. L-26383. April 3, 1968, 23 SCRA 19, and *Meralco Workers Union vs. Yatco*, G.R. No. L-19785, January 30, 1967, 19 SCRA 177, the only thing We can do now, as suggested by respondent Bank in its answer as well as in its memorandum, is to declare the said petition moot and academic. In the words of Mr. Justice Jose P. Bengzon in *Villasor*, supra, "the injunction (in question) has already lost its purpose and effectivity for what it seeks to restrain * * * are no longer existent * * *. We see no necessity in further declaring void and ineffective what, of itself, is already ineffective."

On the other hand, as regards the appeal in G.R. No. L-23083, as a general rule, the issue of whether or not the trial court had jurisdiction over the subject matter of said Civil Case No. 54374 should be decided on the basis of the allegations of the complaint, without the need of going into the actual facts of the case, that is, without regard to the evidence in the record and the findings of the trial judge. The pertinent allegations in appellee Bank's complaint are, to wit:

"3) That on December 29, 1961, in the City of Manila, after a series of negotiations, the defendants freely and voluntarily entered into and executed with the plaintiff a COLLECTIVE BARGAINING AGREEMENT, copy of which is attached and made an integral part hereof as ANNEX 'A'.

"4) That as stated in the fourth and fifth WHEREAS Clauses and resolatory portion of said instrument, the parties unequivocally and explicitly confessed and declared the following as the primary and motivating consideration thereof, to wit:

'WHEREAS, the original constitution and by-laws of the Union did not preclude the possibility of a strike for the attainment of its objectives, dealings with the Union, raised the fundamental legal issue whether it could properly and validly recognize the Union as the exclusive representative of its employees for collective bargaining considering that in the accomplishment of its fundamental objectives; among which is the acceleration of the economic progress of the country, it necessarily performs a governmental function which should in no way impaired;

'WHEREAS, the Union cognizant of this role of the DBP in the national economy has renounced strike and other non-peaceful measures as a means to attaining its objectives as adopted in its constitution and by-laws on September 18, 1958, to wit:

"Resort to strike and other non-peaceful measures as a means for the attainment of its objectives is hereby renounced."

'NOW THEREFORE, in consideration of the going declaration of principles, and of the covenants, undertakings, terms and conditions herein set forth, parties hereto, as follows:

* * * * *

"5) That sometime on January 15, 1963, in Manila, the plaintiff and the defendants thru their respective duly authorized representatives, after a series of conciliation conferences under the auspices of the Department of Labor arising from a Notice of Strike against the plaintiff Bank having been filed by the respondent Unions with the Bureau of Labor Relations on October 12, 1962, freely and mutually entered into an AGREEMENT materially providing as follows:

'WITNESSETH:

'1. That in the conciliation conference between the panels representing the Development Bank of the Philippines on the one hand, and the Development Bank of the Philippines Employees Union (DBPEU) on the other hand, held on Friday, January 18, 1963 at the Bankers Club, Plaza Goiti, Manila, under the auspices of the Department of Labor, presided over by Atty. Onofre Guevarra, Director of Labor Relations, it was mutually and voluntarily agreed upon by both parties that the Development Bank of the Philippines would submit the question to the Secretary of Justice for a controlling opinion as to whether said Bank is performing governmental or proprietary functions.

'2. That the parties hereby unconditionally and without mental reservation agree that whatever shall be the decision of the Secretary of Justice on the question, they shall respect the same and shall be irrevocably bound by it thereafter and shall no longer, whether judicially or otherwise, raise the same issue; and

'3. That the DBP Employees Union (NATU) hereby agrees and binds itself to withdraw and/or cause to be dismissed immediately Case No. 3411-ULP entitled "Development Bank of the Philippines Employees Union-NATU, vs. Development Bank of the Philippines," filed by it with the Court of Industrial Relations (CIR).'

Copy of the agreement is hereto attached and made an integral part hereof as Annex 'B',

"6) That acting on the request of plaintiff pursuant to said Agreement (Annex B), the Secretary of Justice rendered Opinion No. 41, Series of 1963, holding that the plaintiff Bank is exercising governmental functions, of which the defendant Unions had been informed and furnished with copies.

Copy of said Opinion is attached hereto and made an integral part hereof as Annex 'C'.

"7) That notwithstanding their having modified their constitution and/or by-laws, as above-stated renouncing therein strike and other non-peaceful measures against the plaintiff Bank; and the Collective Bargaining Agreement (Annex A) providing for such, strike-renunciation; and notwithstanding further the aforementioned Agreement (Annex B) wherein they freely, unconditionally and without mental reservation agrees that whatever shall be the decision of the Secretary of Justice on the question-of whether the DBP is performing governmental or proprietary functions, they shall respect the same and shall be irrevocably bound by it hereafter and shall no longer, whether judicially or otherwise; raise the same issue; and despite the fact that they had been duly notified that the Secretary of Justice has ruled (Annex C) that the plaintiff Bank is exercising governmental functions and, hence, under the provisions of Section 11 of Republic Act No. 875 (Industrial Peace Act) and Section 28, (c) of Rep. Act No. 2260 (Civil Service Act of 1959), its employees cannot strike for the purpose of securing changes or modification in the terms and conditions of employment, the defendants, without any justifiable cause or reason above-stated in gross and deliberate violation of contractual obligation, have announced, threatened and actually projected to go on strike against the plaintiff bank, as evidenced by leaflets and handbills issued and circulated by them copy of which are attached hereto and made an integral part hereof as Annexes 'D' and 'E' and other overt acts;

"8) That the defendants have never made any official representation with the plaintiff for the settlement in accordance with the Collective Bargaining Agreement (Annex A) of their alleged grievances;

"9) That defendants' threatened, intended and projected strike against the plaintiff aforementioned is unwarranted, capricious, unlawful, unjust and in utter bad faith being a gross, deliberate and deceitful violation of law and the sanctity of contract;

"10) That the plaintiff was established primarily to provide credit facilities for the rehabilitation and development

and expansion of agriculture and industry, the reconstruction of property damaged by war and the broadening and diversification of the national economy, and to promote the establishment and assist the operation of private development banks in the provinces and cities; and its continuous services are vital to the maintenance of the economic lifeblood of the country, particularly the current socio-economic program of the Government;

"11) That as a direct and immediate result of defendants' intended and projected strike, plaintiff has suffered and will continue to suffer damages in an amount of not less than P50,000.00;

"12) That should the defendants proceed with their announced intention to declare a strike against the plaintiff, its lending operations as the government's principal, financial instrumentality will be paralyzed; agricultural and industrial enterprises and activities dependent upon it will be hampered and crippled; violence, serious physical injuries and other crimes will possibly erupt and occur; the security and well-being of its employees and property and its customers will be imperilled; and irreparable and incalculable damage to life and property will ensue; and public interest, as well as the cause of law and order, will greatly suffer;

"13) That the commission or continuance of the said threatened, intended and projected strike and/or other acts in furtherance thereof during the litigation will work injustice to the plaintiff, and that the defendants are undertaking, threatening and/or procuring or suffering to be done acts in violation of plaintiff's rights respecting the subject of the action and tending to render the judgment herein ineffectual." (Record on Appeal, pp. 3-10).

Upon these facts alone alleged by appellee, without more, it is evident that the court *aquo* was without jurisdiction to take cognizance of the case. Indeed, the arguments advanced by appellee in support of its position that the action filed by it in the trial court was only "for enforcement of the collective bargaining contract (not involving unfair labor practice)", not even a labor dispute, are not new. We overruled similar arguments perhaps more forcefully presented before. In *Security Bank Employees Union-NATU vs. Security Bank & Trust Co.*, G.R. No. L-28536, April 30, 1968, 23 SCRA 503, Mr. Justice Enrique Fernando, speaking for the Court, unequivocally stated the law on the matter in this manner:

"The complaint next took up the grounds on which the issuance of an *ex parte* writ of preliminary injunction was sought, plaintiff, now respondent Bank, after incorporating and reproducing by reference what had been set forth stressing that such 'concerted action, picket or strike' threatened by both defendants NATU and LMM would 'be staged unless restrained' by the lower court and that in view 'of the sensitive and vulnerable character of plaintiff's business, substantial and irreparable damage and injury will be suffered by plaintiff by reason of any concerted action or strike against it before the matter can be heard on notice; * * *.' (Id., pars. 13 to 15.) The prayer was for a writ of preliminary injunction directed to defendants, their officers, members or agents from staging in front of or in the vicinity of plaintiff's main office as well as any of its branches, any strike or picketing of whatever kind or form during the existence or pendency of any dispute or controversy between them as to the affiliation, control and management of the local union with the further plea that after a hearing on the merits, judgment be rendered declaring permanent the aforesaid injunction.

"The complaint contains an admission, binding against respondent Bank, that such threatened 'concerted collective action and strike' that may be staged by both the LMM and the NATU 'if carried out [would] constitute a violation of the collective bargaining agreement.' For it was there provided expressly that the Local Union, 'its officers, agents and members agree that for the duration of this agreement there shall be no strike, walkout, sitdowns, stoppage of work, strikes, boycotts, secondary boycotts, sympathetic or general strikes, nor any acts of similar nature which would interfere with the normal business operations and work schedules of the Bank, or picketing of any kind or form, however peaceful, and that it will not otherwise permit, countenance, or suffer the existence or continuance of any kind of those acts,' except in cases of unfair labor practice. Is this matter then properly cognizable by the lower court, presided by respondent Judge? We hold that it is not.

"From *PAFLU vs. Tan* (99 Phil. 854 [1956]) to *Bay View Hotel, Inc. vs. Manila Hotel Workers Union*

(L-21803, December 17, 1966. The Tan ruling was followed in *Reyes vs. Tan*, 99 Phil. 880 [1956]; *Cebu Port Labor Union vs. States Marine Co.*, 101 Phil. 468 [1957]; *Dee Cho Lumber Workers Union vs. Dee Cho Lumber Co.*, 101 Phil. 417 [1957]; *Allied Free Workers' Union vs. Apostol*, 102 Phil. 292 [1957]; *National Association of Trade Unions vs. Bayona*, G.R. No. L-12940, April 17, 1959; *Naric Workers' Union vs. Alvendia*, G.R. No. L-14439, March 25, 1960; *Associate Labor Union vs. Rodriguez*, G.R. No. L-16672, October 31, 1960; *Philippine Wood Products vs. Court*, G.R. No. L-15279, June 30, 1961; *Republic Savings Bank vs. Court of Industrial Relations*, G.R. No. L-16637, June 30, 1961; *Sy Huan vs. Bautista*, G.R. No. L-16115, August 29, 1961; *Edward J. Neil Co. vs. Cubacub*, G.R. No. L-20842, June 23, 1965; *Nasipit Labor Union vs. Court*, G.R. No. L-17838, August 3, 1966), there has been unwavering adherence to the principle that under the Industrial Peace Act, unfair labor practice cases fall within the exclusive competence of the Court of Industrial Relations. In *Republic Savings Bank vs. Court of Industrial Relations* (G.R. No. L-20303, September 27, 1967), it was held that the grievance procedure provided by collective bargaining agreement must be followed and that whatever obligation is incumbent on either management or labor must be complied with. A failure to perform its duty by either party amounts to a commission of an unfair labor practice. 'For collective bargaining does not end with the execution of an agreement. It is a continuous process.' (The majority of this Court speaking through Justice Castro was of that view, the writer of this opinion concurring in the result therein reached on the ground that the unfair labor practice committed 'amounted to interference, restraint or coercion.'")

It being expressly provided in the Industrial Peace Act that unfair labor practice is committed by a labor union or its agent by its refusal to bargain collectively with the employer' (Sec. 4[b] [3] of Republic Act No. 875.) and this Court having decided in the *Republic Savings Bank* case that collective bargaining does not end with the execution of an agreement, being a continuous process, the duty to bargain necessarily imposing on the parties the obligation to live up to the terms of such a collective bargaining agreement if entered into, it is undeniable that non-compliance therewith constitutes an unfair labor practice. It follows that the complaint of respondent Bank in this case, tested by the allegations therein made, should have been filed with the Court of Industrial Relations. Deference to a long line of decisions from *PAFLU vs. Tan*, unequivocal in language and imperative in tone, calls for a ruling that respondent Judge acted without jurisdiction on the matter." (At pp. 510-513)

From the foregoing quotation it is clear that the lack of authority of the court *aquo* extends over the whole case and all its aspects, including the appellee's claim for damages. This is in line also with *Regal Manufacturing Employees Association vs. Reyes*, G.R. No. L-24388, July 29, 1968, 24 SCRA 352, penned by Mr. Justice Fred Ruiz Castro.

WHEREFORE, judgment is hereby rendered as follows: In G.R. No. L-22584, the petition is dismissed for being moot, and in G.R. No. L-23083, the decision of the trial court in Civil Case No. 54374 is set aside for want of jurisdiction and all the three complaints therein, the original, as well as the amended and supplemental ones, are dismissed. Costs against respondent and appellee Development Bank of the Philippines.

Reyes, J.B.L., Acting C.J., Makalintal, Zaldivar, Fernando, Teehankee, Makasiar, and Antonio, JJ., concur.

Castro, J., did not take part.

Concepcion, C.J., on official leave.

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