

VIENCIO JORNALES, ET AL., PLAINTIFFS AND APPELLANTS, VS. CENTRAL AZUCARERA BE BAIS AND COMPANIA CELULOSA DE FILIPINAS, DEFENDANTS AND APPELLEES.

G.R. No. L-15287. September 30, 1963

Ponente: MAKALINTAL, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/20b49b96cb87/>

MAKALINTAL, J.:

This is an appeal from the order of the Court of First Instance of Negros Oriental dated October 29, 1958, dismissing plaintiffs' complaint for lack of jurisdiction. The complaint was filed September 17, 1958, alleging that plaintiffs were permanent, year-round employees of defendants by virtue of agreements entered into between them and that, in violation of said agreements defendants dismissed the plaintiffs from their employment. It was prayed that a writ of preliminary mandatory injunction be issued for immediate reinstatement; and after trial that the dismissals be declared illegal and plaintiffs awarded moral damages and attorney's fees.

'In their answer defendants alleged that they had no agreement with plaintiffs with respect to the duration of employment and justified the dismissals on the ground that defendants had entered with the United Central and Cellulose Labor Association (UCCLA- PLUM), the exclusive bargaining representative designated by the C.I.R., into a collective bargaining agreement containing a closed-shop clause, with which defendants, at the instance of the UCCLA, asked plaintiffs to comply, but that plaintiffs failed to do so, whereupon defendants considered them separated from employment as of September 15, 1958.

In the order appealed from the court declared itself without jurisdiction because plaintiffs' claim for reinstatement was closely interwoven with a question of unfair Labor practice.

Plaintiffs now maintain that the lower court erred (1) in holding that it had no jurisdiction over the case; (2) in taking into consideration defendants' answer in determining jurisdiction; and (3) in dismissing the case without defendants' having filed a motion to dismiss.

Appellants designate their action as one for "specific performance with damages and preliminary mandatory injunction." This description, however, is not necessarily conclusive as to the nature of the action. In the complaint, after alleging the conditions of their employment, appellants state the manner of their dismissal, thus:

"That, predicated their action on the notices to the plaintiffs, copies of which are hereto attached as Annexes A to A-8, which notices are not based on any of the causes specifically provided by law for dismissal of employees and violate their contractual obligations with the plaintiffs, the defendants have dismissed the herein plaintiffs from employment with them as shown in the letters, copies of which are hereto attached as annexes B to B-8 and made integral parts hereof." (par. 4, complaint)

The above-mentioned annexes to the complaint are deemed part thereof and should be considered together with the formal allegations therein^[1] in order to arrive at correct conclusion as to the nature of the action. Annexes A to A-8 are individual letters dated August 11, 1958, sent by appellee Compañia Celulosa de Filipinas to

appellants, informing them that on April 12, 1958 said company and the UCCLA entered into a collective bargaining agreement, one of the terms of which was that those employees who were not yet members of the union should be required to become members 15 days from the signing of the agreement, and should continue to be so as a condition of their continued employment; that the UCCLA had formally demanded from the company that appellants, who were not members of said union, comply with said provision within 30 days from notice; and that if appellants failed to register within said period, without the UCCLA having withdrawn its demands with respect to them, the company would be constrained to consider them separated from the service. Annexes B to B-8 are individual letters to appellants, informing them that since they failed to affiliate themselves with the UCCLA, and the latter had demanded prompt implementation of the closed-shop agreement, they were considered dismissed as of that date.

In effect, therefore, the complaint avers that appellants were employees of appellees, and that upon their failure to become members of the UCCLA as required by appellees, the latter dismissed them. This is a clear statement of an unfair labor practice committed by the employers,[2] cognizance of which, there being in the petition a prayer for reinstatement, as in this case, is given to the Court of Industrial Relations.[3]

Appellants insist that what they seek is not the prosecution of an unfair labor practice but the specific performance of their contracts of employment which had been violated by the unwarranted dismissals. Be that as it may, the alleged manner in which the employment contracts were breached, as described by appellants themselves, placed the case outside the jurisdiction of the lower court.

A contract of employment may be violated by the employer by unjustifiably dismissing the employee, in which case the general law of contracts applies, and the action to compel the employer to reinstate the employee is cognizable by the court of first instance. However, if the dismissal is discriminatory—though also a breach of a private contract ordinarily remediable by rescission or reinstatement by way of specific performance—it constitutes a violation of a public right which the law specifically protects, and for the redress of which a specific procedure in a designated court, i.e., the Industrial Court must be followed.[4]

Upon finding that it has no jurisdiction over the case, the lower court correctly dismissed it, even though appellees had not moved for dismissal.[5]

Wherefore, the order appealed from is affirmed, with costs against appellants.

Bengzon, C. J., Padilla, Bautista Angelo, Concepcion, Barrera, Paredes, Dizon and Regala, JJ., concur.

[1] The copy of the lease attached to the pleadings under the modern rules of practice, became a part of the declaration of the petition, and both are construed together in determining the sufficiency of the statement or averments of the cause of action; (Cox vs. Sinclair Gulf Oil Co., 265 SW 196; Warren vs. La Jomales, et al. vs. Central Azucarera de Bais, et al.

The petition and the document annexed are construed together, and error in the petition as to interest was amended by reference to the contract of lease annexed. Vincent vs. Frelich, 23 S 373.

It has been repeatedly held by this and other courts that the mere reference to a contract in a pleading does not make that contract a part of the pleading, unless a copy of it is annexed. Du Pont Automobile Distributors vs. Du Pont Motors Inc. 210 NYS 577.

The petition is loosely drawn. Had a motion to make more definite and certain been filed by defendants, it should

have been sustained. Aided, however, by the bond upon which the action was based, and a copy of which was attached, marked as an exhibit and made a part of the petition, the petition is sufficient as against a general demurrer. *Davis vs. Board of Com'rs of Choctaw County*, 158 p. 294.

[2] It shall be unfair labor practice for an employer to discriminate in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization, provided, that nothing in this Act or in any other Act or statute of the Republic of the Philippines shall preclude an employer from making an agreement with a labor organization to require as a condition of employment membership therein, if such labor organization is the representative of the employees as provided in section 12. (Sec. 4 (a) (4), R.A. 875).

Nonetheless, those already in the employ of the company when the collective bargaining agreement was entered into, are not under obligation to join the Union to keep their jobs, *Sumcad vs. CIR*, L-18716, April 29, 1963; *United States Lines Co. vs. Associated Watchmen and Security Union et al.*, L-15508, June 29, 1963.

[3] The Court (of Industrial Relations) shall have jurisdiction over the prevention of unfair labor practices and is empowered to prevent any person from engaging in any unfair labor practice. (Sec. 5 (a), R.A. 875); *Barranta vs. Internationa] Harvester Co.*, L-18198, April 22, 1963; *Araullo vs. Monte de Fiedad Savings Bank, et al.*, L-17840, April 23, 1963.

[4] The reason for the distinction between an unfair labor practice case and a mere violation of an employer of its contractual obligations towards an employee, is, as we have stated above, thus:

That unfair labor practice cases involve violations of a public right or policy, to be prosecuted like criminal offenses; whereas a breach of an obligation of the employer to his employee is only a contractual breach to be redressed like an ordinary contract or obligation. *National Labor Union vs. Insular Yebana Tobacco Corporation*, L-15363, July 31, 1961; *Bagnio Gold Mining vs. Tabisola*, L-15265, April 27, 1962.

[5] It has been frequently held that a lack of jurisdiction over the subject matter is fatal, and subject to objection at any stage of the proceedings, either in the court below or on appeal (Ency. of Pl. & Pr., Vol 12. p. 189, and large array of cases there cited), and indeed, where the subject matter is not within the jurisdiction, the court may dismiss the proceeding *ex mero motu*. (*Wakefield vs. Goudy*, 4 111., 133; 190 Ind., 79; *Chipman vs. Waterbury*, 59 Conn., 496) *U.S. vs. Jayme*, 24 Phil. 90.

Whenever it appears that the court has no jurisdiction over the subject matter, it shall dismiss the action. Sec. 10, Rule 9, Rules of Court.

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.