

MAXIMO LEOQUINCO, AUGUSTO C. GO, QUINTIN PAULINO, AMADEO MARBELLA, THOMAS DAVIS, JR., ANTONIO ROLLENAS, FLORECIO SABIDONG, POLICARPIO CALDITO, JR., COSME ROXAS AND RODRIGO GULAT...

G.R. No. L-28621. February 22, 1971

Ponente: REYES, J.B.L., J.

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REYES, J.B.L., J.:

Appeal from the order of the Court of First Instance of Rizal dismissing Civil Case No. 10237 on the ground of lack of jurisdiction.

In a complaint filed on 30 August 1967, in the Court of First Instance of Rizal, against the Canada Dry Bottling Company of the Philippines Employees Association and 24 other persons named therein, Maximo Leoquinco, Augusto C. Go, Quintin Paulino, Amadeo Marbella, Thomas Davis, Jr., Antonio Rollenas, Florencio Sabidong, Policarpio Caldito, Jr., Cosme Roxas and Rodrigo Gulatico alleged that they were employees of the Canada Dry Bottling Company; that on 23 August 1967, and on other working days thereafter, plaintiffs were prevented by defendants individuals, officers and/or members of the defendant labor association, by means of force and intimidation, from reporting to and performing their work in the company, thus depriving them of the salaries and wages that they would have earned and received; that the public officers charged with the duty of securing their right to work and earn a living were unable to provide them adequate protection in the exercise of their said right, and that the continuance of defendants' unlawful acts would further prevent plaintiff from performing their legitimate work in the company and from earning their salaries and wages necessary for the support of their respective families and of themselves. Thus, they prayed that a writ of preliminary injunction be issued to restrain the defendants from preventing the plaintiffs (and the vehicles driven by or carrying them) from reporting to work and performing their jobs in the company; that after due hearing the restraining order be made permanent and the defendants be ordered, jointly and severally, to pay the salaries or wages that plaintiffs would have earned from 23 August 1967 up to the date they were allowed to report back to work, plus moral and exemplary damages, attorneys' fees and costs. Finding the allegations of the verified complaint to be sufficient, and upon the plaintiffs' filing a bond for P3,000.00, the court issued, on 31 August 1967, a writ of preliminary injunction, restraining the defendants from preventing the plaintiffs and the vehicles carrying them from reporting for work and performing their jobs in the company. The bond was required to answer for whatever damages the defendants may sustain by reason of the in-junction.

On 7 September 1967, the defendants moved for reconsideration and/or dissolution of the injunction, claiming that the case arose out of a labor dispute or was interwoven with an action for unfair labor practice then pending before the Court of Industrial Relations and, therefore, properly belongs to the jurisdiction of that court. It was pointed out in the motion that as early as 31 July 1967, the defendant labor association had filed in the Court of Industrial Relations a complaint for unfair labor practice against the Canada Dry Bottling Company, allegedly for interfering with the formation and organization of the labor union, and for discriminating against or pressing

employees to withdraw their membership from the union, under threat of dismissal from work if they would not do so; that on 17 July 1967, a notice to strike was filed with the Bureau of Labor based on the company's commission of the said acts, and a strike was actually staged on 23 August 1967; and that the acts of the defendants subject of the complaint were perpetrated in the course of the picketing carried out by the striking members of the defendant labor association. Attached to the motion were copies of the unfair labor practice charges filed by the labor association in the Court of Industrial Relations on 31 July 1967, and the formal complaint for unfair labor practice (Case No. 4824-ULP) filed by the CIR Acting Prosecutor on 28 August 1967, against the Canada Dry Bottling Company, and George Huang, Maximo Leoquinco, Augusto Go, Antonio Rollenas, Polly Caldito and Quintin Paulino, the Personnel Manager, Sales Manager, Sales Supervisor and Plant Superintendent, respectively, of the defendant company. Plaintiffs opposed the motion, maintaining that the case is cognizable by a court of general jurisdiction, citing as basis therefor the decision of this Court in the case of *Abo, et al, vs. Philame (Kg) Employees and Workers Union, et al.*, G. R. No. L-19912, 30 January 1965.

After the parties were heard on the motion for reconsideration, the court issued an order dated 25 September 1967, in part stating as follows:

"A perusal of the case shows that although the complaint of the plaintiffs did not allege in black and white anything about a labor dispute between plaintiffs and defendants, yet by inference from the allegations of the plaintiffs' complaint, it could be unmistakably deduced that the acts of the defendants as alleged therein arose from a labor dispute or in furtherance of an industrial dispute. Indeed the defendants are not so fool-hardy as to prevent their co-workers from entering the premises of the Canada Dry Bottling Company if there was no labor dispute or a strike. Considering the fact that defendants filed a notice of strike on 17 July 1967, before the Bureau of Labor Relations, a Charge No. 2042 on 31 July 1967 and a Complaint for Unfair Labor Practice before the Court of Industrial Relations, the alleged illegal acts of the defendants in the plaintiffs' complaint from 23 August 1967, have therefore connections or were committed in the course of the strike staged by the defendants against the Canada Dry Bottling Company, and hence, arose from a labor dispute. Such being the case, the instant case therefore falls under the exclusive jurisdiction of the Court of Industrial Relations (*NARIC Workers' Union vs. Hon. Carmelino Alvendia, et al.*, G. R. No. L-14439, 25 March 1960; *National Garments and Textiles Workers Union vs. Caluag, et al.*, G. R. No. L-9104, 10 September 1956), whose Judges are in a better position to appreciate the social aspect of a labor dispute (*PAFLU vs. Judge B. Tan*, G. R. No. L-9115)."

Consequently, the case was ordered dismissed for lack of jurisdiction, and the bond posted by the plaintiffs for the issuance of the writ of preliminary injunction adjudged in favor of the defendants. Plaintiffs moved to have the dismissal-order reconsidered, and when the motion was denied, they came to this Court by way of the present appeal.

Appellants anchor their argument against the dismissal-order of the court a quo on the rule that it is the allegations of the complaint that determine the jurisdiction of a court, and since there is no averment in their complaint regarding the existence of employer-employee relationship or of an industrial dispute between therein plaintiffs and defendants, they contend that the case was beyond the competence of the industrial court to entertain. In support of their allegation, appellants cite the decision of this Court in the case of *Abo, et al., vs. Philame (Kg) Employees Unions*, supra. Thus, it is claimed that the court below erred in taking notice of the unfair labor practice case in the Court of Industrial Relations involving the defendants, although nothing to this effect was mentioned in the complaint, on the basis alone of certain uncertified pleadings presented by the said defendants.

There is no error in the action taken by the court below. Considering that the appellants' complaint itself showed that there was a controversy between parties who were employees of the same employer and prayed for preliminary injunction; that pursuant to Section 9 (f) of the Industrial Peace Act (Republic Act 875, as amended) -

"A case shall be held to involve or to grow out of a labor dispute when the case involves persons --- who are employees of the same employer-----" (Emphasis supplied)

and that said Act severely limits the intervention of ordinary courts in labor disputes, We see no abuse of discretion by the court a quo in taking into account the related facts disclosed in respondent labor organization's opposition to the issuance of the injunction, and in the annexes thereto, specially since they were merely clarificatory of the averments of the appellants' complaint that was so artfully drafted as to conceal the fact that the acts sought to be enjoined originated or were the consequence of a strike against the common employer.

It may be noted that appellants are not claiming that the disputed pleadings (the complaint and formal charges for unfair labor practice) are spurious, or that no such unfair labor practice case (No. 4824-ULP) against Canada Dry Bottling Company and Maximo Leoquinco, Augusto Go, Antonio Rollenas, Polly (Policarpio) Caldito and Quintin Paulino, four of herein appellants, was indeed pending in the Court of Industrial Relations when the present case was commenced in the court of first instance. Neither is there a recital or narration of the particular acts of violence, force or intimidation constituting the alleged violation of the plaintiffs' rights. Appellants merely urge that the pleadings were not duly certified by the Clerk of the Court of Industrial Relations and, therefore, should not have been considered by the court a quo in issuing its order. Being attached as annexes to the motion to dismiss, and made a part of the allegations thereof, the aforementioned pleadings are not public instruments which would require attestation of certain officials for presentation as documentary evidence, pursuant to Section 26 of Rule 123. Secondly, it must be remembered that the assailed finding of the court below (that the acts complained of were committed in the course of the strike staged by the defendants and, therefore, arose from a labor dispute) was reached after the parties were heard and the motion to dismiss as well as the opposition thereto were duly considered. In the circumstances, it can not be said that the court's ruling is totally devoid of legal support.

This leaves us with the question of whether or not the lower court was correct in declaring itself without jurisdiction to pass upon the issues presented in this case.

The authority of the Court of Industrial Relations to take cognizance of cases connected with the carrying out of a strike is well recognized in this jurisdiction. In a long line of decided cases,[1] this Court has held that where the acts complained of in the petition for injunction are found to arise out of or to be connected with any case exclusively belonging to the jurisdiction of the Court of Industrial Relations, the case shall be heard by the said court. In those instances, the court of first instance shall be without jurisdiction to issue any injunctive writ, whether temporary or permanent, to restrain the conducting by strikers of activities related to, or connected with, the labor dispute,[2] and where injunction is indeed proper, recourse may be had to the Industrial Court where the main action belongs.[3] Here, although the court below made a finding that the acts of the defendants complained of were perpetrated in the course of a strike, appellants would take it out of the application of the above rulings, on the ground that there exists no employer-employee relationship between herein plaintiffs and defendants, and that the action is for damages said to have been sustained on account of defendants' un-lawful acts. In other words, it is maintained that the action is not against the strike or the strikers; it is a simple demand for payment of damages suffered by them when they were prevented by the defendants from reporting to their place of work, a matter that is beyond the competence of the Court of Industrial Relations to pass upon.

This is not the first time that the argument was presented before and ruled on by this Court. In the case of Erlanger and Galinger, Inc. vs. Erlanger & Galinger Employees Association,[4] involving practically the same set of facts, the resort to the court of first instance by the company to restrain the strikers' allegedly unlawful act of preventing the entrance into the company premises of the non-striking employees and from molesting and harassing the company officials and agents, was declared improper, the recourse being to institute appropriate action in the

Court of Industrial Relations and there to secure the necessary restraining order under Section 9 (d) of the Industrial Peace Act. Then, overruling the contention that the petition was for damages cognizable by the court of first instance, this Court said:

"While there is merit in petitioner's claim that the lower court should not have dismissed its entire petition on the ground of lack of jurisdiction, because said petition also asks for the payment of damages suffered by the company on account of the alleged acts of violence and coercion committed by the respondent Union in the course of its picketing of petitioner's premises, whether or not such damages are recoverable, and to what extent, would still have to depend on the evidence in the unfair labor practice case between the parties pending in the Court of Industrial Relations, and its final outcome."

In other cases where the same question of court jurisdiction was put issue, because of the allegation of damages against the strikers, this Court sustained the authority of the Court of Industrial Relations, thus:

"Neither would the claim for damages suffice to keep the case within the jurisdictional boundaries of the court of first instance. That claim is interwoven with unfair labor practice. The legality or illegality of the strike must necessarily be litigated in the unfair labor practice case. And the 'right to damages' would still have to depend on the evidence in the unfair labor practice" - - in the CIR'. To allow Civil Case No. 60864 to prosper would be to bring about 'split jurisdiction -- which is obnoxious to the orderly administration of justice' (Associated Labor Union vs. Gomez, L -25999 , 9 February 1967, 19 SCRA 304)."[5]

"It appearing that in addition to the labor dispute involved herein, there were other labor cases pending between the same parties before the Court of Industrial Relations which had been instituted prior to the filing of the present case, among them Case No.548-ULP which involved an unfair labor practice, we declare that the court a quo has no jurisdiction to try the instant case for the same is already involved in those cases which had been submitted to the industrial court for adjudication. This step is necessary in order to avoid multiplicity of actions. If the purpose of the action is to obtain some injunctive relief against certain acts of violence of the laborers, the same can be obtained from the industrial court which is given ample power to act thereon by the Magna Carta."[6]

As thus evolved, the determinative factor in the controversy is still the nature of the case filed in the lower court, for where it is interwoven with or involved in the unfair labor practice case, then the weight of authority inclines in favor of the jurisdiction of the Industrial Court.

It has been established in this case that the defendant Union had charged the bottling company, the common employer of plaintiffs and defendants, of having committed acts constituting unfair labor practice that allegedly on account of such acts of the company defendants staged the strike; and defendants claim that it was on the occasion of the picketing that the acts complained of were committed. Clearly, the supposed coercion and violence perpetrated by defendants in having prevented or blocked the entry of company officials and non-striking employees into the company premises and, indirectly, from the continuation of the business operations of the strike-bound firm, performed while carrying out the strike, can not be anything but activities or actions arising from, or interwoven with, the unfair labor practice case that they filed in the Court of Industrial Relations. Whether or not this means employed in staging the strike is unlawful or not, and whether or not they are to be enjoined, are incidents that the Industrial Court can look into.

Appellants can not even seriously contend that they can not bring their demand for damages in the Court of Industrial Relations because they have no interest in the unfair labor practice case between the employer and the defendants. For it appears from the formal charges filed by the CIR Acting Prosecutor that at least five of herein appellants were party-defendants in that labor dispute in the Court of Industrial Relations (pages 39-44, Record on Appeal). Besides, it is not always necessary for bringing in parties in the said court that there should exist employer-employee relationship between the disputants. Thus, in one case, this Court sanctioned the filing of a

third party complaint, where the Industrial Court had already acquired jurisdiction over the main case, for the reason that the third party complaint being a continuation of the main action, the hearing together of the two cases would save time and cost by avoiding duplication of evidence, and enabling the obtaining of consistent results from identical or similar proofs.[7] The same principle may be applied with equal force and effect in the present case.

Additionally, it may be stated that in the exercise by the employees of their right to express their grievances or demands against the employers or to communicate the information to those who may resort thereto for employment that a strike is in progress in the company, the sphere of their activities was held to include not only the actual parties to the labor dispute, but also those possessing related interest therewith,[8] insulating therefrom third persons without industrial connections with the parties whatsoever or those whose interests are absolutely foreign to the matter in dispute. Being employees of the same employer, plaintiffs-appellants undeniably are interested, or at least would have related interest, in the controversy between the employer bottling company and the defendants-appellees. For in the normal course of events, any outcome of the labor dispute would necessarily affect the working conditions of the employees, even of those who did not take part in the strike.

Of course, it may be said that the existence of the employees' right to strike does not warrant the use of coercion and force in carrying it out; that violence, force or intimidation are not inherent in labor relations, hence, the presence of these conditions should not at once imply the existence of a labor dispute. The fact remains, however, that the acts committed by the defendants, which were made basis of plaintiffs' demand for damages, were found to have arisen from, or having connection with, the labor dispute already before the Industrial Court. As this Court had previously ruled --

"It appearing that the issue involved in the main case is interwoven with the unfair labor practice cases pending before the Court of Industrial Relations as to which its jurisdiction is exclusive, it is evident that it does not come under the jurisdiction of the trial court even if it involves acts of violence, intimidation and coercion as averred in the complaint. These acts come within the purview of Section 9 (d) of Republic Act 875 which may be enjoined by the Court of Industrial Relations"[9] (Underlining supplied)

The decision of this Court in *Abo vs. Philame (Kg) Employees & Workers Union*, L-19912, 30 January 1965, was cited by appellants to support their stand that the case has been removed from the jurisdiction of the Court of Industrial Relations by the absence of any allegation of an industrial dispute in the complaint. The contention must be denied. The jurisdiction of a court over the subject matter is governed by law, as applied on the established facts. It should not be made to depend on the literal averments of the complaint - indirectly on the ability of the parties to word or phrase their pleadings - here the actual issues are evident from the records the case. Thus, just as this Court has to scrutinize the concatenation of events averred in the complaint to discourage the undesirable practice of parties of trying to divest the court of first instance of its jurisdiction by the expediency of alleging an unfair labor practice act,[10] so must not the wording or phrasing of the complaint, evidently formulated with care to avoid mention of an existing industrial dispute, be allowed to deprive the Industrial Court of authority to pass upon the case, where the pleadings of the parties show that jurisdiction properly belongs to said court.[11]

This Court has pointed out in *Regal Manufacturing Employees Association vs. Reyes*, L-24388, 29 July 1968, 24 SCRA 352, 365, that where an employer seeks from ordinary courts an injunction against striking employees, and an award for damages, and it is shown that the strike was called in connection with unfair labor practices coming within the exclusive jurisdiction of the Court of Industrial Relations, the proper course for the Court of First Instance is to dismiss the employers' petition or, at the very least, suspend action thereon until the labor disputes are settled finally by the Industrial Court. The doctrine is applicable to the case before Us, since the circumstance

that the petitioners below were co-employees of the strikers, and not the employer himself, can not affect the jurisdiction over the case, and the averment of damages by reason of the strike can not work to defeat the Court of Industrial Relations' jurisdiction, "as it would still have to depend on the evidence in the unfair labor practice case in the CIR" (Associated Labor Union vs. Gomez, L-25999, 9 February 1967, 19 SCRA 304). Whether to dismiss or to suspend the suit for injunction and damages depends on the discretion of the court below, and in the case at bar it decided to dismiss the action. We find no reason to modify the resolution thus taken, which anyway does not bar the refiling of the complaint for damages after the Court of Industrial Relations finally resolves the pending unfair labor practice case against the employer company.

The last issue to be resolved is the question of damages. In dismissing the injunction suit, the court a quo also ordered that "the bond (in the sum of P3,000.00) put up by the plaintiff for the issuance of the preliminary injunction is hereby adjudged in favor of the defendants". Appellants assail the award because it is undisputed that no claim for damages had been made by the defendants-appellees in the court below, nor had any evidence been adduced to show their existence. The appellee laborers endeavour to justify the award by claiming that it is in reality an award of nominal damages, under Article 2221 to 2223 of the civil Code of the Philippines, requiring no evidence in support thereof, and made solely "in order that a right of the plaintiff, which has been violated or invaded by the defendant, may be vindicated or recognized". This position can not be sustained. Nothing in the order of dismissal, subject of this appeal, indicates any intent to award nominal damages to defendants-appellees, specially since said order only upheld the jurisdiction of the Court of Industrial Relations. Furthermore, in *Ventanilla vs. Centeno*, L-14333, 28 January 1961, this Court ruled that an award for P2,000.00 by way of nominal damages was excessive.

PREMISES CONSIDERED, the order under appeal is modified by affirming the dismissal of the appellants action in the court below, and eliminating the award of the amount of the injunction bond in favor of the appellees. Costs against appellants.

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

[1] *Paflu vs. Caluag*, L-9104, 10 September 1956, cited in *Philippine Communications, Electronics & Electricity Workers' Federation vs. Nolasco*, L-24984, 29 July 1968, 24 JVR 321; *Philippine Labor Association vs. Villazor*, I-26383, 3 April 1968, 23 SCRA 19; *United Pepsi Cola Sales Organization (Paflu) vs. Cañizares*, 102 Phil. 887; *SMB Box Factory Workers Union vs. Victoriano*, 102 Phil. 646; *Fil-Hispano labor Union vs. Montesa*, L-18371, 23 April 1963, 7 SCRA 714; *National Mines and Allied Workers Union vs. Ilao*, L-16884, 31 January 1963, 7 SCRA 113.

[2] *National Mines & Allied Workers Union vs. Ilao*, supra; *Philippine Labor Association vs. Villazor*, supra; *Fil-Hispano Labor Union vs. Montesa*, supra; *SSS Employees Association vs. Soriano*, L-20100, 16 July 1964, 11 SCRA 518.

[3] *Erlanger & Galinger, Inc. vs. Erlanger & Galinger Employees Association*, 104 Phil. 17; *Lakas Ng Pagkakaisa sa Peter Paul vs. Victoriano*, L-9290, 14 January 1958; *Benguet Consolidated Mining Co. vs. Coto Labor Union*, 104 Phil. 500.

[4] 104 Phil. 17.

[5] *Philippine Communications, Electronics & Electricity Workers Federation vs. Nolasco*, L-24984, 29 July 1968, 24 SCRA 321.

[6] Benguet consolidated vs. Coto Labor Union, 104 Phil. 500.

[7] Lakas ng Pagkakaisa sa Peter Paul vs. Victoriano, L-9290, 14 January 1958; Banquet Consolidated Mining Co. vs. Coto Labor Union, 104 Phil. 500.

[8] Philippine Association of Free Labor Unions (Paflu) vs. Cloribel, L-25878, 28 March 1969, 27 SCRA 465.

[9] National Garments and Textiles Workers Union-Paflu vs. Caluag L-8104, 10 September 1956; Erlanger & Galinger, Inc. vs. Erlanger & Galinger Employees Association, *supra*.

[10] Nasipit Labor Union vs. Court of Industrial Relations, L-16833, 3 August 1966, 17 SCRA 882.

[11] Cf. Associated Watchmen & Security Union (PTWO) vs. U. S. Lines, et al., 101 Phil. 896.

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