

NATIONAL LABOR UNION, PRIMO ZAMORA, UBALDO BARRON, TEOFILO CANO, LORENZO DE LA CRUZ, TERESO GAQUIT, MANUEL GUTIERREZ, SANTIAGO GODINEZ, JOSE LUMIBAO, SOFRONIO LUMIBAO, AND JULIO...

G.R. No. L-18425. February 27, 1963

Ponente: CONCEPCION, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/27f0ba70cbab/>

CONCEPCION, J.:

Appeal from a resolution of the Court of Industrial Relations, sitting en banc, dated March 23, 1961.

Sometime in 1949, the Undersecretary of Labor certified to the Court of Industrial Relations—hereafter referred to as the CIR—the existence of a labor dispute between the International Oil Factory—hereafter referred to as the Factory—and its workers who were members of the National Labor Union, hereafter referred to as NLU. The dispute involved 18 demands of the latter regarding conditions of employment, including vacation and sick leave. In a decision promulgated on May 11, 1951, said court held, with regard to the demand for vacation leave:

"Demanda" 3.—'15 days vacation leave with full pay.'

"Segun los principios de derecho social, la concesion de la licencia de vacaciones depende de la situacion economica de la empresa y las exigencias del bien comun. Constando que la compania margina ganancias, es ineludible la concesion de este privilegio. Que la recurrida, por lo tanto, conceda a sus empleados y obreros quince (15) dias de vacaciones por cada ano de servicio continuo, fiel y satisfactorio mientras su estado financiero lo permita".

An appeal taken from this decision by the Factory was dismissed by the Supreme Court for lack of merit. Meanwhile, on October 4, 1955, the CIR had issued an order authorizing the execution of said decision during the pendency of the appeal. This order was, however, set aside by the CIR sitting en banc in a resolution dated December 5, 1955, which referred the case "to the trial court for the determination of the question" referred to in the decision of May 11, 1951.

In April 1956, before the evidence on the points specified in said resolution could be taken, twenty-five (25) members of the NLU resigned therefrom and organized the International Oil Factory Workers Union, hereafter referred to as FFW." On May 8, 1956, the FFW declared against the Factory a strike which was, on January 26, 1957, declared illegal by the CIR. Several days before, on January 18, 1957, said court had, in pursuance of the aforementioned resolution of December 5, 1955, begun to receive the evidence for the FFW on the vacation leave referred to in said decision of May 11, 1951. After the presentation of some witnesses, the FFW reached a compromise agreement with the Factory, which undertook to drop the case filed against the FFW members for the illegal strike above referred to and to grant them eight (8) days prospective vacation leave yearly. This agreement was approved by the CIR on April 12, 1957.

Soon after, on July 9, 1957, the NLU began to introduce before the CIR its evidence on the subject matter of the resolution of December 5, 1955, implementing the decision of May 11, 1951. As the reception of the evidence

could not be completed on that occasion, the case was set for continuation of the hearing on August 5, 1957. However, on July 15, 1957, the FFW filed a motion praying that the court declare itself without jurisdiction, to proceed with the taking of said evidence of the NLU, upon the theory that the compromise agreement above mentioned was binding upon the NLU. This motion was, on August 26, 1957, denied by the trial Judge, who was, however, overruled by the court en banc, which, in a resolution dated March 2, 1958, held that the NLU was bound by said compromise agreement. On Appeal taken by the NLU, said resolution was set aside in G. R. No. L-13845 (May 30, 1960) of this Court, which ordered the case remanded to the CIR for further proceedings. Upon receipt of the records by the CIR, the question arose whether the evidence to be taken under its resolution of December 5, 1955, would be limited to the period from 1951 to 1955, or should extend to the year 1960. Passing upon this issue, the trial Judge, Hon. Jose S. Bautista, held, in an order dated January 28, 1961:

"During the hearing of this case on January 18, 1961, the counsel for the National Labor Union, as well as the Attorney for Primo Zamora, et al., requested the Court to examine the financial condition of the respondent, International Oil Company, through its books of amounts from 1951 to 1960, inclusive, pursuant to the final resolutions of this Court, dated May 11, 1951 and December 5, 1955.

"Respondent, International Oil Factory, objected to said motion and alleged among others, that the examination should be limited only from 1951 to 1955, because of the collective bargaining agreement entered into by and between the said factory and the International Oil Workers Union (FFW). This allegation of respondent has already been decided by our Supreme Court in 108 Phil., 387, entitled National Labor Union vs. International Oil Factory, promulgated May 30, 1960, that such agreement is not binding on the National Labor Union.

"IN VIEW THEREFORE, the motion of the National Labor Union and Primo Zamora et al., is hereby granted. The Examining Division of this Court is hereby ordered to examine the books of accounts of the International Oil Factory from 1951 up to 1960, inclusive, to determine the financial conditions of the factory, and upon termination, the result thereof will forthwith be submitted to this Court."

On motion for reconsideration of the Factory, the CIR sitting en banc, in a resolution dated March 23, 1951, modified "the coverage period in the examination of the books of accounts of the International Oil Factory in the sense that instead of 'from 1951 up to 1960, inclusive', it should be from 1951 up to 1955 as decreed by the decision of our Supreme Court promulgated on May 30, 1960". Hence this appeal by certiorari of the NLU.

The only issue in this appeal is whether, under the resolution of the CIR of December 5, 1955, which is already final and executory, granting its employees or laborers "quince (15) dias de vacaciones por cada año de servicio continuo, fiel y satisfactorio mientras su estado financiero lo permita" (*italics ours*), the NLU is entitled to examine the records of the Factory from 1951 to 1960, or only up to 1955, in order to determine whether the financial condition of the Factory permits the payment of the aforementioned vacation leave. In this connection said resolution, reads:

"Since the final judgment says:

'Que la recurrida, por lo tanto, concede a sus empleados y obreros quince (15) dias de vacaciones por cada año de servicio continuo, fiel y satisfactorio mientras su estado financiero lo permita (Decision sobre algunas demandas, p. 243 of the record).

"And, since the concession of said benefit depends upon the economic situation of the company, the respondent company is hereby given the opportunity to prove its financial condition from the year 1951 up to the present; and the petitioner-union, on the other hand, may show that the laborers have rendered continuous, loyal and satisfactory service during the aforesaid period.

"Wherefore, the Order of October 4, 1955, providing for the execution of the decision is hereby set aside; and

the case is referred to the trial court for the determination of the questions above mentioned."

Because referring to the order of the trial Judge of October 4, 1955 (authorizing' the execution of the decision of May 11, 1951) and the resolution of the Court of Industrial Relations en banc of December 5, 1955, we said in the statement of facts in G. R. No. L-13845,

"On October 4, 1955, the CIR issued an Order granting petitioner labor union's motion for execution of the above decision. Said order was, however, set aside by the CIR in its resolution, en banc, of December 5, 1955 (Annex 'B'), in order that the CIR may receive evidence (1) on the financial condition of the respondent Company from 1951 to 1955, and (2) on the continuous, loyal, and satisfactory service of the workers, members of petitioner labor union during the said period."

the Court of Industrial Relations en banc, in its Resolution of March 23, 1961, concluded that the coverage of the resolution of December 5, 1955, did not go beyond such year 1955, pursuant to our decision in said G. R. No. L-13845, and that consequently, the trial Judge had no right to authorize the examination of respondent's records up to 1960.

We find ourselves unable to sanction this view. To begin with, having become final and executory before the appeal in G. R. No. L-13845, the CIR, resolution of December 5, 1955, could not have been reviewed or modified by this Court in said G. R. No. L-13845. Secondly, the only question for determination therein was whether the compromise agreement between respondent and the FFW, approved on April 12, 1957, was binding upon the NLU and this was decided in the negative. Thirdly, the period within which the NLU would be entitled to examine the records of the Factory was not, and could not be put in issue or sought to be decided in said G. R. No. L-13845. Fourthly, the aforementioned CIR resolution of December 5, 1955, clearly and explicitly declared that respondent was thereby "given the opportunity to prove its financial condition from the year 1951 up to the present". Obviously the year 1955 was mentioned in our decision in G. R. No. L-13845, merely because said resolution was dated December 5, 1955. Lastly, if—as the CIR had declared in its decision of May 11, 1951, and sought to implement with its resolution of December 5, 1955—the right of NLU members to vacation leave was dependent upon the financial condition of respondent, there was no reason to grant said vacation leave up to 1955, only, and deny it thereafter, if the financial condition of the Factory still permits it.

Wherefore, the resolution appealed from is set aside and the order of the trial court dated January 28, 1961 is hereby affirmed and the records remanded to the trial court for further proceedings, in conformity with this decision. Respondent International Oil Factory shall pay the costs. It is so ordered.

Bengzon, C.J., Padilla, Bautista Angelo, Labrador, Reyes, J, B, L., Barrera, Paredes, Dizon, Regala and Makalintal, JJ., concur.

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.