

PROGRESSIVE LABOR ASSO-CIATION (PLA) ASSISTED BY ITS MOTHER FEDERATION PHILIPPINE ASSOCIATION OF FREE LABOR UNION (PAFLU), PLAINTIFFS-APPELLANTS, VS. ATLAS CONSOLIDATED MINING A...

G.R. No. L-27585. May 29, 1970

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. 9550 for the reason that the case, as made out by the allegations of the complaint, falls within the juris-diction of the Court of Industrial Relations.

The records show that on 4 October 1966 the Progressive Labor Association (PLA), claiming to be the duly certi-fied exclusive bargaining representative of the employees and workers in the employ of the Atlas Consolidated and Mining Development Corporation, filed a complaint in the Court of First Instance of Rizal (Civil Case No. 9550) against: said corporation and four of its employees, the Associated Labor Union (ALU) and the President and Executive Vice-President-thereof, the Department of Labor and the Bureau of Labor Relations. The complaint alleged, among other things, that in the election held on 25 January 1966, pursuant to its constitu-tion and by-laws, the general membership of plaintiff Union chose their officers who were to hold office for a term of two years;[1] that said officers, together with the appointed Secretary and Treasurer, assumed their respective positions on 6 February 1966; that on 31 March 1966 the plaintiff Union presented to the defendant Corporation a set of demands; that thereafter, representatives of the Union and the Company met to negotiate on said demands, and when the conferences did not result in any agreement the Union called a strike (with previous notice) on 11 July 1966, at the cor-poration's place of business in Toledo City; that while the strike was going on defendants employees, Alexander P. Villas, Manuel Enri-quez, Alberto Trocio and Iluminado G. Tantoy, in conspiracy and connivance with Democrito T. Mendoza and Cecilio Seno, the pre-sident and executive vice-president, respectively, of the defendant Associated Labor Union (ALU), assumed and declared themselves to be the president, first vice-president, secretary and treasurer of plaintiff labor Union; that defendants Seno and Mendoza, misrepre-senting themselves to be clothed with authority to act for the plaintiff, entered into a Return-to-Work Agreement with the Company on 27 August 1966, which agreement was attested to by the representatives of the Department of Labor and Bureau of Labor Relations; that defendants Nillas, Enriquez, Trocio and Tantoy were mere usurpers inasmuch as they have not been elected and/or appointed to the positions they claim to occupy, and that the duly elected and appointed officers of the 'plaintiff Union have not abandoned their offices. The complaint further averred:

"18. That defendant Corporation's act in entering into the above mentioned Return to Work Agreement' is not only in total disregard of the pro-visions of law but is, likewise, in violation of the terms of the existing Collective Bargaining Agree-ment it entered into with plaintiff Labor Associa-tion[2] in the sense that the 'return to work agreement, having been manifestly executed for the benefit of plaintiff Association and its

members, the only party which defendant Corporation could legally contract with in relation thereto is the plaintiff Labor Association, not only because it is the exclusive collective bargaining agency stipulated in the Collective Bargaining Agreement but because plaintiff Labor Association is the only party with which defendant Corporation is in dispute in the present labor controversy; and that the so-called Progressive Labor Association – ALU, assuming identity as the Union and represented by the individually - named defendants herein, not being the exclusive bargaining agent described in the Collective Bargaining Agreement, nor is it a disputant in the present labor controversy, the 'Return to Work Agreement' was knowingly entered into by defendant Corporation with a party with whom there was no legal cause and is, therefore, null and void;" (Record on Appeal, page 9)

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"20. That the defendants have tried to enforce, and still continue to enforce, the 'Return to Work Agreement' against plaintiff, causing demoralization among plaintiff's members which is damaging and detrimental to plaintiff's cause in the labor controversy, and unless res-trained by the issuance of a writ of preliminary injunction, the enforcement, or further enforcement of said 'Return to Work Agreement' will cause, as it has already caused, irreparable injury to plaintiff Labor Association and its members, the said enforcement being an unwarranted encroachment on the guaranteed rights of plaintiff and its members to self-organization and their right to engage in concerted acts for their mutual protection and benefit." (Record on Appeal, page 10)

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Plaintiff, consequently, prayed for judgment declaring the Return-to Work Agreement as null and void; the alliance between defendants Mendoza, Seno and the Associated Labor Union and the defendants employees, as well as their acts with respect to the said Return-to-Work Agreement, as illegal; and directing them, jointly and severally, to pay to plaintiff damages in an amount that the court may assess. It also asked the court to issue in the meantime a res-training order against the enforcement by the defendants of the above -mentioned agreement.

Defendants moved to dismiss the case on jurisdictional ground: that by the averments of the complaint, it is evident that the issue of who are the rightful officers of the Union was being raised; that the employer was being charged of committing unfair labor practice, and that the same allegedly unlawful acts of defendants Seno, Mendoza and the four employees of the Company, connected with the execution of the disputed Return-to-Work-Agreement, was already the subject of an unfair labor practice charge levelled by the plaintiffs against the same defendants in the Court of Industrial Relations, Cebu Branch (Case No. 56-ULP, Cebu),[3] -- allegations that remove the case within the competence of the Court of First Instance and place it within the jurisdiction of the Court of Industrial Relations.

On 11 February 1967, the court granted defendants' motions and declared itself devoid of jurisdiction to entertain the case. Hence, this appeal by the plaintiffs.

The rule is well established that the question of court jurisdiction over the subject matter is determined by the allegations of the complaint.[4] In this case, appellants claim that the action is for the annulment of contract - the return-to-work agreement, which matter falls within the jurisdiction of the court of first instance. We rule otherwise.

A reading of the complaint herein would show that the acts complained of by the plaintiffs and from which they were seeking relief, were the alleged unauthorized assumption by defendants Nillas, Enriquez, Trocio and Tantoy of the powers and functions of the president, vice-president, secretary and treasurer of plaintiff Union; the alleged unauthorized representation of said plaintiff by defendants Mendoza and Seno in the Return-to-Work Agreement entered into with the defendant Company; and the supposed illegal participation by the Company in the execution of such agreement with the other defendants, knowing them to be without authority to do so. In short,

the case would call not only for a determination of which set of officers has authority to represent the employees in the negotiations with the employer -- a matter involving labor organization procedure which is cognizable by the Court of Industrial Relations,[5] but also of the good faith and bad faith of the company in entering into that agreement. In fact, plaintiff's accusation of unfair labor practice was made clear when it alleged in paragraphs 18 and 20 of the complaint that the Company's act of knowingly (Record on Appeal, page 9) entering into the "Return-to-Work Agreement" constituted a violation of law and of the existing collective bargaining contract, and that the enforcement thereof was causing demoralization among the Union members, it "being an unwarranted encroachment on the guaranteed rights of plaintiff and its members to self-organization and their right to engage in concerted acts for their mutual protection and benefit".

As thus made out in the complaint, there is no denying that plaintiff's cause of action arose out of, or is necessarily intertwined with the alleged unfair labor practice committed by the defendants; jurisdiction properly lies in the Court of Industrial Relations.[6] Indeed, considering that the same plaintiff Union even filed a case for unfair labor practice in the Industrial Court, which included the acts complained of in the court below, the dismissal of the civil case by the latter tribunal is in order.[7]

In its effort to sustain the jurisdiction of the lower court over the present case, appellants also advance the argument that their demand for damages anyway cannot be entertained by the Industrial Court. This does not improve the situation at all. As already held by this Court, mere allegation that the plaintiff suffered damages because of the complained acts does not work to divest the Court of Industrial Relations of jurisdiction to hear the unfair labor practice charge. For it must be realized that the right to damages would still have to depend on the evidence to be presented in the unfair labor case.[8] To hold that the demand for damages is to be passed upon by the regular courts independently or separately from the unfair labor practice accusation would be to sanction split jurisdiction, which is prejudicial to the orderly administration of justice.[9]

WHEREFORE, finding no error in the order appealed from, the same is hereby affirmed, with costs against the appellants.

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

[1] Elected were Bernardo O. Calang, President, Dominador Ruiz, as First Vice-President, Teodulo Esquilona, as Second Vice-President, and 16 members of the Board of Directors.

[2] The Progressive Labor Union entered into a collective bargaining agreement with the Company on 31 October 1965, said agreement to be effective until 15 December 1968.

[3] Filed on 20 October 1966.

[4] Security Bank Employees Union vs. Security Bank & Trust Co., G.R. No. L-28536, 30 April 1968, 23 SCRA 503; Bay View Hotel, Inc. vs. Manila Hotel Workers Union, G.R. No. L-21803, 17 December 1966, 18 SCRA 946; Tuvera vs. De Guzman, G.R. No. L-20547, 30 April 1965, 13 SCRA 729; Edward J. Nell Co. vs. Cubacub, G.R. No. L-20843, 23 June 1965, 14 SCRA 419; Associated Labor Union vs. Ramolete, G.R. No. L-23537, 31 March 1965, 13 SCRA 582; Abo vs. Philame(KG) Employees & Workers Union, G.R. No. L-19912, 30 January 1965, 13 SCRA 120; Paflu vs. Padilla, 106 Phil. 591.

[5] National Brewery & Allied Industries Labor Union (Paflu) vs. Clo-ribe, G.R. No. L-25171, 17 August 1967, 20 SCRA 1083, citing Paflu vs. Padilla, 106 Phil. 591.

[6] Philippine Communications, Electronics & Electricity Workers Federation vs. Nolasco, G.R. No. L-24984, 29 July 1968, 24 SCRA 321; Regal Manufacturing Employees Association vs. Reyes, G.R. No. L-24388, 29 July 1968, 24 SCRA 352; Erlanger & Galinger, Inc. vs. Erlanger & Galinger Employees Association, 104 Phil. 17; Lakas ng Pagkakaisa sa Peter Paul vs. Victorino, 102 Phil. 1181; SMB Box Factory Workers Union vs. Victorino, 102 Phil. 646; National Garments & Textile Workers Union - Paflu vs. Caluag, 99 Phil. 1067; Elizalde Paint & Oil Factory, Inc. vs. Bautista, G.R. No. L-5904, 23 November 1960.

[7] Citizens League of Free Workers vs. Abbas, G.R. No. L-21212, 23 September 1966, 18 SCRA 71.

[8] Associated labor Union vs. Gomez, G.R. No. L-25999, 9 February 1967, 19 SCRA 304; also Philippine Communications, Electronics & Electricity Workers Federation vs. Nolasco, *supra*.

[9] Associated Labor Union vs. Gomez, *supra*.

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