PHILIPPINE REFINING COMPANY, INC., PETITIONER, VS. GREGORIO FLORES, ET AL., AND THE COURT OF INDUSTRIAL RELATIONS, RESPONDENTS.

G.R. No. L-21669. June 30, 1971

Ponente: MAKALINTAL, J.

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MAKALINTAL, J.:

This is an appeal by certiorari from the resolution of the Court of Industrial Relations en banc dated May 17, 1963, which denied the Philippine Refining Company's motion for reconsideration of the portion of the decision of the trial Court dated April 19, 1963, ordering the computation and payment to the therein petitioners (pri-vate respondents herein) of the money value of fourteen (14) days vacation leave.

The petitioners in the Court below were former workers in the Philippine Refining Company, Inc., (here-inafter referred to as the Company) and members of the Philippine Refining Company Workers Union (CLO) during their employment. From 1945 to 1946 the union made numerous labor demands on the Company which gave rise to several strikes and became the subject of litigation in CIR Cases Nos. 4-V and 32-V. For having participated in an illegal strike on April 30, 1947, the said workers were dis-charged for cause as of said date.

On December 28, 1956 Gregorio Flores and 110 others filed in the CIR a petition dated December 26, 1956, which was docketed as Case No. 1042-V, alleging among other things that the proceedings in Cases Nos. 4-V and 32-V were suspended and were never continued or reopened, and that their demands involved therein were left without final solution at the time of and after the death of their former counsel during the pendency of those proceedings. They prayed:

> “1. That herein petitioners be reinstated to their former work in the factory of the respondent;
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> “2. That they be paid their accumulated vacation leave with pay, backpay during the Japanese occupation, salaries not paid due to the outbreak of the last world war, unpaid overtime work, gratuity, and one month separation pay;
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> “3. That the herein action be considered as a new action, or a continuation or reopening of Cases Nos. 4-V and 32-V and such other incidents and/or issues arising therefrom during the labor controversy in this Court in 1946-1947 between the same respondent and there herein petitioners; and
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> “4. That such other relief as justice and equity may require be granted the petitioners;"

The Company moved to dismiss the petition, but in an order dated February 13, 1958 the resolution of the motion was held in abeyance until the case was submitted for decision. In the same order the trial Court considered the petition of December 26, 1956 "to be a petition for enforcement of judgment in Cases Nos. 4-V and 32-V, where the Court has assumed and acted on its original jurisdiction."

Subsequently the petition was amended several times for the inclusion of 132 additional claimants.

After trial and submission of memoranda, the trial Court in its decision dated April 19, 1963 dismissed the case "insofar as demands for reinstatement, payment of backpay during the Japanese occupation, overtime pay, gratuity, and separation pay are concerned," but ordered the Company to pay the petitioners below (respondents here) the money value of the fourteen (14) days vacation leave. On this point the Court said:

> "With respect to vacation leave, the decision dated January 24, 1947 in Case No. 32-V, which was subsequently clarified and amended by the Court en banc in its resolution dated May 9, 1947, reads as follows:

'The Court, therefore, directs the Company to grant two weeks vacation leave with pay to all laborers and working men who have rendered therein at least one year of continuous and faithful service, to be enjoyed cumulatively at any time during the following year, provided the enjoyment of the same shall not unnecessarily interrupt the proper functioning of the business of the company and provided further, that nothing in this decision shall prohibit the company from converting and giving to the laborers or working men an equivalent in cash, of such vacation leave earned during the period herein specified and, provided lastly, that those who have already rendered continuous and faithful service of one year until the date of the rendition of the decision, should enjoy the right of two weeks vacation leave, during the current year. For the purpose of this vacation leave, continuous service should be construed as to include in its computation absence or interruptions due to force majeure, to acts of God and to lawful causes.'

> "Respondent contended that the claim for payment of the accumulated vacation leave is without merit because they have not served long enough from the date of the decision establishing the right to vacation leave on January 24, 1947 up to their discharge on April 30, 1947. The contention is not correct because the award clearly provides, among others, that laborers who have already rendered a year of service as of the date of the decision would enjoy the right of two weeks vacation leave. Having been in the employ of the company since after liberation, it is believed with some approach to accuracy that until, or as of, the date of rendition of the judgment on January 24, 1947 they already acquired to their credit a year of service. The period of strikes in January and September, 1946 should not be discounted in the computation of continuity of service, said strikes not having been declared illegal.
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> "It is also argued that petitioners could not demand cash in lieu of such leave because commutation into cash was merely permissive and at the company's discretion. This argument, to the mind of the Court, is somewhat an arbitrary interpretation of the award. Simply stated, the theory of respondent is that it will only give cash in lieu of leave when it thought wise giving because it is best to its interest but will refuse to recognize that which the laborers believe is good for them, i.e., make use of the vacation leave or ask for the cash value thereof and continue working. That could not be the intent and meaning of the award. From the context of the decision the company is not prevented or precluded from giving the equivalent money value in lieu of enjoying or going on leave, if the workers so desire.
>
> "So that since the right has accrued, it stands to reason, under any standard, that until the day of the declaration of the illegal strike the workers should receive from the company, and the latter to pay, the money value of the vacation leave of at least fourteen (14) days.
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> "Prescription could not lie with regard to this particular claim because Article 1144 of the Civil Code provides ten years from entry of Judgment within which the action on judgment prescribes. The pertinent decision on vacation leave is dated May 9, 1947 and, according to the records of Case No. 32-V, the judgment was entered on the same date. The petition in the case at bar was filed on December 28, 1956, which is very much within the prescriptive period."

The motion for reconsideration of the aforequoted portion of the decision having been denied by the CIR en banc, the Company brought this appeal.

The issues presented by the petitioner are as follows:

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I. On Jurisdiction

> "A. Does the Court of Industrial Relations have jurisdiction to enforce a judgment rendered more than five (5) years past, or almost ten (10) years since to be more precise, contrary to Section 23 of Commonwealth Act No. 103, as amended by Commonwealth Act No. 559 in relation to Section 6 of Rule 39 of the Rules of court?
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> "B. Does the Court of Industrial Relations have jurisdiction over a mere money claim consisting of the cash value of vacation leave pay where the claimants, respondents Flores et al., have long ceased to be connected with petitioner PRC?

II. On Authority to Alter Awards

> "A. Can the Court of Industrial Relations modify its judgment far outside the three (3) year period within which it may, under Section 17 of Commonwealth Act No. 103, amend, alter, set aside or reopen its orders, decisions or awards?

III. On Laches

> "A. Is not non-commutable and non-cumulative vacation leave, or its cash equivalent, if allowed, unclaimed for almost ten (10) years as held in Philippine Air Lines, Inc. vs. A. Balanguit, G. R. No. L-8715, June 30, 1956, deemed waived or otherwise barred by laches?

Under Section 23 of Commonwealth Act No. 103, as amended by Section 6 of Commonwealth Act No. 559, an award, order or decision of the Court of Industrial Relations "may be enforced by a writ of execution or any other remedy provided by law in respect to enforcement and execution of orders, decisions or judgments of the Court of First Instance." Under Section 6 of Rule 39 of the (former) Rules of Court, "A judgment (of the Court of First Instance) may be executed on motion within five years from the date of its entry ... (and) after the lapse of such time, and before it is barred by the statute of limitations, a judgment may be enforced by action."

As has been noted heretofore the private respondents, in their petition below, prayed for several reliefs - reinstatement, vacation leave with pay, backpay, overtime pay, gratuity, and separation pay - but all such reliefs were denied except the money value of the vacation leave already earned. Concerning this particular item the allegation in the petition is as follows:

> "(a) With respect to this demand, the workers were granted fourteen (14) days vacation leave with pay every year by this Honorable Court in its decision dated January 24, 1947 (Case No. 32-V)."

1. The Company challenges the jurisdiction of the respondent Court to enforce its 1947 judgment on the ground that more than five (5) years had passed since it became final when the petition for that purpose was filed on December 28, 1956. The decisive question is of course, whether the said petition, insofar as the award of vacation leave with pay is concerned, is a mere motion for execution or an independent action to enforce the judgment within the meaning of Section 6 of Rule 39. Stress is laid by the Company on the statement of the trial Judge in his order of February 13, 1958 denying the petitioner's motion to dismiss, construing the petition as "one for the enforcement of the judgment in Cases Nos. 4-V and 32-V, where the Court has assumed and acted on its original jurisdiction;" as well as on the pronouncement in the decision of April 19, 1963 that: "In the opinion of the Court the action would be treated as an incident to the original cases considering that, except for the claim for gratuity and separation pay, the subject matters are (a) continuation of the original cases or an implementation of the decision rendered therein."

The distinction sought to be drawn by the Company is more specious than substantial. It may be observed that one of the prayers in the petition below was that the same "be considered as a new action, or a continuation or reopening of cases Nos. 4-V and 32-V and such other incidents and/or issues arising therefrom ...;" and that it was

in fact initially filed as an independent action and assigned its own docket number (1042-V). Indeed it could not have been filed as a simple motion for execution, considering the other demands of the petitioners below which had not been the subject of previous adjudication. If the Court of Industrial Relations considered the action "as an incident to the original cases," it was because "the subject matters are (a) continuation of the original cases or an implementation of the decisions rendered therein," and only as premise for the court's ruling turning down, as it did, "respondent's contention that petitioners' cause of action is barred by prior judgments, that the petition does not state a valid cause of action, and that this Court lacks jurisdiction over the subject matter of the action." From the more realistic point of view the petition below was not a mere motion for execution but an action to enforce the judgment within the meaning of Section 6, Rule 39 of the Rules of Court then in force.

The argument that the respondent Court had no jurisdiction over the case because it involved a simple money claim, the claimants having long ceased to be connected with the Company, is manifestly without merit, considering that such claim was not being filed for the first time but had already been awarded by final judgment, and all that was being sought was its enforcement.

2. The Company says that the respondent Court, in its decision now under review, modified its en banc resolution of May 9, 1947. Under that resolution the Company's employees were granted two weeks vacation leave with pay provided they had rendered at least one year of continuous and faithful service, the same to be enjoyed cumulatively at any time during the following year. The question now at issue is: May such vacation leave be commuted and converted into cash? The same resolution of the respondent Court answers this question in the affirmative, as follows: " ... nothing in this decision should prohibit the company from converting and giving to the laborers or working men the equivalent in cash, of such vacation leave earned during the period herein specified ..." The Company submits, however, that under this provision the commutation of the leave was permissive and depended solely upon the choice of the Company itself. As the respondent Court correctly found this is an unduly restrictive construction of the decision. The fact that the Company was not prohibited from converting the vacation leave into its equivalent in cash does not necessarily mean that the workers had no right to ask for such conversion. A fair and reasonable reading of the decision would indicate that its import is that once they did demand such right the Company was not forbidden to grant it. The decision is only permissive in this sense. This is all the more true with respect to herein private respondents, who had ceased to work as of April 30, 1947 and hence could no longer actually enjoy the vacation leave they had already earned for services rendered up to the date of their dismissal - a right granted them in the following portion of the judgment: "provided lastly, that those who have already rendered continuous and faithful service of one year until the date of the rendition of the decision, should enjoy the right of two weeks vacation leave, during the current year."

On the other hand, the sense of the judgment is that the vacation leave granted thereunder, which could be enjoyed following at least one year of continuous service, was only for a period of two weeks. The respondent Court in effect adopted this view by ordering its examining division to "compute the money value of 14 days vacation leave of the 242 petitioners herein, if entitled, ... and render a report thereon immediately, for further disposition."

3. The Company contends that the claim of the workers for the cash equivalent of their vacation leave is barred by laches, citing Philippine Air Lines, Inc. vs. Balanguit, 99 Phil. 486. The ruling of this Court in that case is not here applicable. The petition therein was filed in 1952, some six years after the claimants were laid off, they being employees of the FEATI, with whom they had a collective bargaining agreement recognizing their right to the vacation leave, and the FEATI having ceased its operations when they were taken over by the Philippine Air Lines in 1947. In holding that laches barred the claim, this Court said: "It would be unfair now to demand this payment from the PAL after more than five years when the papers and the records of the service of said

employees ... may no longer exist; when the FEATI has long ceased its operations and has long ceased to exist and when its officials who were in a position to determine which employees because of their faithful, efficient and continuous service were entitled to leave and for how many days, may no longer be available." These circumstances do not obtain in the case at bar. Furthermore, while in the Philippine Air Lines case the claim was filed for the first time after a number of years, the petition in the present case was filed before the respondent Court to enforce a judgment it had already rendered - a remedy expressly provided for in the Rules of Court.

Wherefore, the judgment of the Court of Industrial Relations dated April 19, 1963 and its resolution of May 17, 1963, denying the petitioner's motion for reconsideration, are hereby affirmed with costs.

Concepcion, C.J., Reyes, J.B.L., Dizon, Zaldivar, Fernando, Teehankee, Barredo, Villamor, and Makasiar, JJ., concur.
Ruiz Castro, J., took no part.

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