

C. E. CHURCH, JOSEPH ABELOW AND K. H. HEMADY, DOING BUSINESS UNDER THE NAME AND STYLE OF CHURCH AND COMPANY, PETITIONERS VS. LA UNION LABOR UNION AND JUDGES OF THE COURT OF INDU...

G.R. No. L-4393. April 28, 1952

Ponente: BAUTISTA ANGELO, J.

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BAUTISTA ANGELO, J.:

This is a petition for review of a resolution of the Court of Industrial Relations dated September 20, 1950, amending its decision of April 3, 1950, by adding to the dispositive part a clause to the effect that "the Company should reinstate in Manila within ten (10) days from the receipt by it of a copy of this resolution those who would like to be re-employed in Manila, and pay immediately the 30 day separation pay to those laborers who do not like to be re-employed in Manila".

Petitioners were doing business under the name of Church and Company which consists in repairing, overhauling and selling different types of machinery and radios formerly known as surplus property at the Signal Depot at San Fernando, La union, whereas respondent La Union Labor Union is an association formed by more than fifty (50) employees and laborers duly authorized to act as a collective bargaining agency by the Department of Labor.

On December 16, 1948, the affiliates of respondent Union who were working with petitioners, with the exception of the security guards, staged a strike to secure the payment of their unpaid wages and salaries, and upon proper representations made by respondent Union, the wages and salaries of the striking workers and employees were paid on December 28, 1948, but for unknown reasons their reinstatement has not been effected;

On December 29, 1948, petitioners discovered that many radios, tires and other equipment deposited in their bodega at San Fernando, La Union, were stolen, including the generator that was used in the area, which fact was never reported to the management by the security guards, for which reason petitioners laid off said security guards, employing new ones in their place, and gave orders not to re-admit the other workers and employees, except a skeleton force, pending investigation of the irregularities by the Constabulary;

Upon failure of petitioners to re-admit the workers and employees after settlement of their strike, and upon refusal to re-employ the security guards discharged for cause, respondent Union filed a petition with the Court of Industrial Relation demanding the reinstatement of the workers who had struck, the re-employment of the security guards who were fired, and the payment of their wages and salaries during the period of their lay-off and suspension. On February 2, 1949, the company answered the petition stating that (a) the firing of the security guards was for good cause; (b) because of vast losses suffered by the company due to thefts and pilferages, the company can only resume limited operations and engage few workers, and (c) the fired security guards had been guilty of breach of trust and their re-employment would prejudice the company;

On April 3, 1950, after due trial, Presiding Judge Arsenio Roldan rendered decision ordering the company to

reinstate the laborers and the security guards to their former jobs, or in the event that they could not be reinstated, to give them one month separation pay. This decision became final for failure of company's counsel to perfect the appeal within the reglementary period, whereupon the company filed an original petition for a writ of certiorari with the Supreme Court, in the meantime, respondent union asked for the execution of the decision.

On June 10, 1950, the Court of Industrial Relations denied the petition for execution, but required the company to put up a bond of P10,000. On June 20, 1950, the company asked for a reduction of the amount of the bond, in the meantime, the Supreme Court dismissed the petition for certiorari for lack of merit for which reason the company asked the Court to reconsider its order requiring it to file a bond. This was also opposed by the labor union, and the opposition was sustained. On August 20, 1950, the company filed another motion for reconsideration, which was again objected to by the labor union, and this time the labor union informed the court of the new move of the company to close its business at San Fernando, La union and to resume its operations in Manila, which is prejudicial to the laborers, and to safeguard their interest, the union asked the court to make a clarification of the award embodied in its decision of April 3, 1950;

After a re-hearing, the court amended its original decision by a resolution dated September 30, 1950, by adding to the dispositive part the paragraph quoted in the early part of this decision. Hence this petition for review.

The issues, according to petitioners, are:

"I. The Court of Industrial Relations committed a grave abuse of discretion and acted in excess of its jurisdiction in ordering the reinstatement or payment of one month separation pay of all workers of the company indiscriminately-honest men and thieves alike.

II. That the Court of Industrial Relations gravely abused its discretion and deprived petitioners of their right to equal protection of the laws in giving the workers the entire choice of either to be reinstated or paid their one-month separation pay and totally disregarding the rights and interests of the petitioners.

III. That the Court of Industrial Relations abused its discretion in ordering the payment of one-month separation pay to the workers irrespective of whether the laborers are on salary basis or not".

Respondents, however, submit that the issues are:

"A. Does the Court of Industrial Relations possess the power to amend its decision in Case No. 247-V, which was already declared final and executory in the order of this Honorable Court in G. R. No. L-3814, by enacting its interlocutory order of June 15, 1950 (Annex "E") and subsequent resolutions en banc of July 7 (Annex "H"), August 18 (Annex "K"), September 30 (Annex "N"), and November 29, 1950 (Annex "Q"), respectively?

B. By enacting the order of June 15, 1950, in Case No. 247-V and the resolutions en banc of July 7, August 17, September 30, and November 30, 1950, respectively, above-mentioned, did the Court of Industrial Relations commit grave abuse of discretion, acted in excess of its jurisdiction and deprived the petitioners of their rights to equal protection of the laws?"

After a careful study of the issues thus presented by both parties we find that the contention of respondents is correct, far in our opinion, at this stage of the proceedings, this Court is no longer in a position, nor does it have the right, to consider the merits of the original petition filed by the labor union relative to the reinstatement of the laborers and employees that were separated by the petitioners and the payment of their salaries and wages during their suspension for the reason that all these matters had already been passed upon and determined by the respondent court in its decision rendered on April 3, 1950, which has already become final and executory. The questions that had been discussed and passed upon in said decision have now acquired the character of res judicata. All these matters had been finally adjudged when petitioners failed to appeal from said decision in due time and can no longer be discussed in this petition for review.

But we find that, after said decision had become final, upon petition of the labor union, the award was amended as above stated because of developments that had later taken place which had the effect of changing the relative situation of the parties, specially of the laborers and the employees affected, who claimed that, unless a clarification is made of the award, their interests would be jeopardized. And it is now claimed that this cannot be done because the respondent court does not possess the power to amend its decision after it has become final and executory.

We hold that the respondent court possesses that power in the light of the provisions of sections 7 and 17 of Commonwealth Act No. 103, as amended. Under section 7, the Court of Industrial Relations has the power, among others, to correct, amend, or waive any error, defect, or irregularity, whether in substance or in form, that it may find in its proceedings, or to give all such direction as it may deem necessary or expedient in the determination of any dispute before it; and under section 17, the same court may alter, modify or set aside, during its effectiveness, any award, order, or decision it may render, upon application of any of the parties and after due hearing, and under the same section 17, an award, order, or decision is deemed effective for at least three years unless a shorter period is fixed by the Court. The clear object of these provisions is undoubtedly to give to the court a continuing control over the case, in the interest of management and labor, as long as it remains under its control and jurisdiction, in order to accord substantial justice to the parties (*Pasumil Workers Union vs. Court of Industrial Relations, et al.*, [1] 40 O. G. 6th Sup., p. 71; *Andres Goseco vs. Court of Industrial Relations, et al.*, [2] G. R. No. 46673, promulgated September 13, 1939), in line with the liberal policy of the law which enjoins that "the Court shall act according to justice and equity and the substantial merits of the case, without regard to technicality or legal forms and shall not be bound by any technical rules of legal evidence but may inform its mind on such manner as it may deem just and equitable (section 20, Commonwealth Act No. 103, as amended)."

Let us now come to the merits of the amendment made in the original award which are disputed by petitioners. It should be recalled that the original award orders the company to reinstate the workers who went on strike, or in the event that they cannot be reinstated to their former jobs, to give them one month pay in lieu of notice of their separation from the service, whereas the amendment orders the company to reinstate in Manila those laborers who like to be re-employed in Manila and to pay one month separation pay to those who do not like to be so re-employed. Petitioners now claim that the respondent court has abused its discretion, or has deprived them of their right to the equal protection of the laws when it gave to the workers the absolute choice of being reinstated or paid one month separation pay, disregarding entirely the rights and interests of said petitioners.

We cannot conceive how the amendment can have the effect of depriving petitioners of their right to be equally protected by law under our Constitution. The original award gives to the laborers the right to be reinstated to their former jobs, which means the work they had in San Fernando, La union before the strike. It does not mean work in any other place. Subsequent developments, however, have shown that petitioners have taken steps to subvert this injunction by closing their depot at La Union and by resuming their operations in Manila, and this cannot but work to the prejudice of the laborers whose humble condition does not permit them to work in Manila. Something has to be done to safeguard their interest. The court saw in the amendment the most equitable solution to their plight as it gives them the choice either to go to Manila or to be paid their separation pay. We see nothing illegal or improper in this action of the respondent court.

Petitioners also claim that the respondent court abused its discretion in ordering the payment of one month separation pay to the workers irrespective of whether they are on salary basis or not. This contention is also untenable. If the award grants one month separation pay to the employees or laborers affected, it means that the payment shall be on the basis of their remuneration, be it monthly or daily. The basic law grants this power to the respondent court (sections 13 and 20, Commonwealth Act No. 103, as amended). This power is so ample and

wide that it embraces all matters that come within its jurisdiction. We see nothing wrong nor improper in this manner of adjudication. If a laborer is entitled to a month separation pay, and he is paid daily or weekly, the only way by which justice can be done to him is to compute his pay according to his actual earning. This is the spirit of the labor law. Any other method of computation would be discriminatory.

Wherefore, the petition is hereby denied, with costs against petitioners.

Paras, C. J., Feria, Pablo, Bengzon, Tuason, Montemayor, and Reyes, JJ., concur.

[1] 69 Phil., 370.

[2] 68 Phil., 444.

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