

**ATOK-BIG WEDGE MINING CO., INC., PETITIONER, VS. THE
HONORABLE MODESTO CASTILLO, JOSE S. BAUTISTA AND V.
JANSON, JUDGES OF THE COURT OF INDUSTRIAL RELATIONS; AND
ATOK-BIG WEDGE ...**

G.R. No. L-7518. May 27, 1955

Ponente: CONCEPCION, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/393901851bad/>

CONCEPCION, J.:

This is a petition for certiorari under Rule 67 of the Rules of Court. Petitioner Atok-Big Wedge Mining Co., Inc., prays that a resolution of the Court of Industrial Relations sitting in banc, reconsidering an order of the Presiding Judge thereof, be set aside, or, else, that "the reopening of this case for the introduction of additional evidence" be ordered. The dispositive part of said resolution read as follows:

"IN VIEW OF THE FOREGOING CONSIDERATIONS, and following the decisions of this Court and that of the Supreme Court, under similar circumstances, petition of respondent for the payment of Christmas bonus to the laborers and employees of petitioner for the year 1951 is hereby approved. In view hereof, petitioner is hereby ordered to pay to its laborers and employees their Christmas bonus for the year 1951 only.

"It is so ordered." (Annex B, p. 3).

The facts relative to the merits of the case, are set forth in said resolution from which we quote:

"The industrial dispute which was, elevated to our Court in banc, is about the petition filed by the Atok-Big Wedge Mutual Benefit Association, praying that petitioner company be ordered to pay its laborers and employees the Christmas bonus for 1951 and every year thereafter.

* * * * *

"After a careful perusal of the records of this case, we found that petitioner admitted in its answer dated November 15, 1952, that in the years 1946, 1947, 1948, 1949 and 1950, the amounts of P910.58, P6,734.93, P15,742.32, P30,339.83 and P41,830.45, respectively were distributed among the laborers and employees as an act of grace, goodwill, liberality and generosity of the petitioner. In its Balance Sheet ended as of March 31, 1951, petitioner has Reserve for Provision for Bonus in the amount of P18,000.00 (Exh. 4-A(1); as of June 30, 1951, said Provision for Bonus was P36,000.00 (Exh. 4-B(1); as of September 30, 1951, said Provision for Bonus was P50,898.00 (Exh. 4-C(1); but as of December 31, 1951, said Provision for Bonus no longer appeared. The disappearance in the Balance Sheet ended December 31, 1951 for the Provision for Bonus was explained by the company's accountant, Mr. Pablo Floro, as follows:

'Q. . . Will you please explain to this Court why the provision for bonuses which had been appearing in the last three statements under the caption 'reserve' no longer appear so in this balance sheet or Exh. 4-D?

'A. . . The monthly reserve for bonuses is no longer under the caption reserve because it has been declared due and payable by the board of directors of the Company and for this reason it appears under the caption

current liabilities, accrued payroll, in the amount of P61,227.63' (t.s.n. p. 24, Magale; Italics supplied.)

The above testimony of the company's accountant shows that even in 1951, the Christmas bonus for the laborers and employees was also set aside.

"Records further show that in the Balance Sheet of petitioner as of December 31, 1951, the Net Profit carried to Surplus was P1,336,190.41. Petitioner, however, has not set aside any amount for Christmas bonus after December 31, 1951,

"Taking into consideration that petitioner made a Net Profit of P1,336,190.41 for the year ended December 31, 1951, and the Christmas bonus set aside for the said year only P61,227.63, justice and equity demand that such bonus which was already set aside be paid to the laborers and employees concerned. After deducting P61,227.63 from the Net Profit of P1,336,190.41, there still remains the amount of P1,274,962.78 for petitioner company." (Annex B, pp. 1-3; italics supplied.)

Petitioner contends "that the Court of Industrial Relations sitting in banc committed a grave abuse of discretion:

- (1) "When it gave due course to respondent Union's Motion for Reconsideration of the decision of the trial court;"
- (2) "In finding that the Christmas bonus for the year 1951 had been declared due and payable by the board of directors of your petitioner and that the amount of P61,227.63 had been set aside for this purpose;"
- (3) "In ordering your petitioner to pay to respondent Union the sum of P61,227.63;" and
- (4) "In not remanding this case to the trial court, in the interest of justice, for the purpose of clarifying the inconsistency of the witness, Mr. Pablo Floro, * * * and * * * when without waiting for your petitioner's argument in support of its motion for reconsideration and new trial it denied the same."

It appears that the parties herein had entered into a written stipulation (Annex E), dated October 29, 1952, providing that

"* * * both parties agree to submit the matter on stipulation to the Honorable Presiding Judge of the Court of Industrial Relations for decision, with the understanding that whatever decision to be rendered therein shall be considered final without the benefit of an appeal by either of the parties to the Court in banc or to the Supreme Court." (Annex E, p. 2.)

Petitioner maintains that the order of the presiding Judge of the Court of Industrial Relations denying the claim of the Atok-Big Wedge Mutual Benefit Association for Christmas bonus for the year 1951, was—pursuant to the agreement above quoted—"final, without the benefit of an appeal * * * to the court in banc or to the Supreme Court" and that, accordingly, "the Court of Industrial Relations sitting in banc committed a grave abuse of discretion when when it gave due course to respondent union's motion for reconsideration of the decision" of the Presiding Judge of said court.

At the outset, it should be noted, however, that the provision negating "the benefit of an appeal" was a complement to the agreement "to submit the matter on stipulation * * * with the understanding" aforementioned. Said denial of the "benefit of an appeal" was merely an implication ("understanding") of the agreement "to submit the matter on stipulation", or a qualification thereof. In other words, the provision "to submit the matter on stipulation" was the principal agreement, and the negation of the "benefit of an appeal" an accessory thereto, which cannot exist or be enforced, without the main agreement which it qualifies.

It appears, also—in the words of petitioner herein—"that both the respondent and the petitioner" eventually "elected not to submit this case on a stipulation of facts, but rather to introduce evidence in support of their respective contentions." Said election by the parties amounted to an abandonment, remission or novation—resulting in the

extinction—of the above quoted stipulation of the agreement of October 29, 1952. Hence, the Court of Industrial Relations, sitting in banc, did not commit the first alleged error pointed out by petitioner herein.

Indeed, although the parties may have been willing to accept as final the order of the Presiding Judge of the Court of Industrial Relations if the latter had merely applied the law to the facts as agreed upon by them, they might not have been prepared to waive the right to appeal, in the absence of a stipulation of facts, for the findings of fact made by said officer might not tally with the objective facts, as they believe the same to be.

At any rate, even if the stipulation denying "the benefit of an appeal" did subsist, the same does not affect either the jurisdiction of the Court of Industrial Relations to consider in banc the motion for reconsideration of respondent union, or the validity of the resolution granting said motion. The jurisdiction of the court is determined and conferred by law and may not be taken away, modified or even qualified, by the parties. The latter may enter into valid contracts in reference to some of their rights, including those conferred by remedial laws, and such contracts may affect the wisdom of the judicial action relative thereto, but not the jurisdiction of the court thereon. In short, the proper remedy against the resolution in question—if violative of the agreement of October 29, 1952, and it is not—is appeal, not certiorari, under Rule 67 of the Rules of Court, which is the one sought by petitioner herein.

This conclusion renders it unnecessary to consider the other points raised by herein petitioner. However, we do not wish to dispose of the case merely on a procedural technicality. In order that petitioner may not be deprived of the protection afforded by our laws, we will pass upon the other issues raised in the case at bar as if the same had been brought to us on appeal by certiorari.

In connection with issues Nos. (2) and (3), we note that the findings complained of are based upon the very records of petitioner herein and the testimony of one of its accountants. In fact, the accuracy of the following passage of the resolution complained of is not controverted:

"In its Balance Sheets ended as of March 31, 1951, petitioner has Reserve for Provision for Bonus in the amount of P18,000 (Exh. 4-A(1); as of June 30, 1951, said Provision for Bonus was P36,000 (Exh. 4-B(1); as of Sept. 30, 1951, said Provision for Bonus was P50,898 (Exh. 4-C(1); but as of Dec. 31, 1951, said Provision for Bonus no longer appeared. The disappearance in the Balance Sheet ended Dec. 31, 1951 of the Provision for Bonus was explained by the company's accountant, Mr. Pablo Floro, as follows :

'Q. . . Will you please explain to this Court why the provision for bonuses which had been appearing in the last three statements under the caption 'reserve' no longer appear so in this balance sheet or Exh. 4-D?

'A. . . The monthly reserve for bonuses is no longer under the caption reserve because it has been declared due and payable by the board of directors of the Company and for this reason it appears under the caption current liabilities, accrued payroll, in the amount of P61,227.63". (t.s.n. p. 24, Magale; Annex B, p. 2; Italics supplied.)

Explaining the meaning of the words "reserve for bonus" and "current liabilities" used in the records of petitioner herein, accountant Pablo Flora, said:

"The term 'reserve for bonuses' does not denote a liability of the company because a reserve is just a provision for future possible contingencies which may or may not arise, whereas current liabilities is a definite obligation on the part of the company" (Annex A, p. 4; Italics supplied.)

The foregoing facts fall squarely within the purview of the rule laid down in *Philippine Education Co. vs. Court of Industrial Relations and Union of Philippine Employees* (92 Phil., 381), in which it was held: which it was held:

"As heretofore stated the payment of bonus is not from the legal point of view a contractual and enforceable obligation. But the petitioner is not sued before a court of justice. It is before the Court of Industrial Relations.

And according to the law of its creation it may make an award for the purpose of settling and preventing further disputes. And taking into consideration the facts and circumstances of the case that bonuses had been given to the employees at least in three previous years; that the amount of P90,706.36 has been set aside for payment as bonus to its employees and laborers and the reason for withholding the payment thereof was the strike staged by the employees and laborers for more favorable working conditions which was declared legal by the respondent court, justice and equity demand that bonus already set aside for its employees and laborers be paid to them. The award would still be within the ambit of the respondent court's power and function which is mainly to prevent further disputes and perhaps strikes which is so detrimental to both labor and management and to the public wealth. Whether this petition be deemed an appeal by certiorari under Rule 44 or one of certiorari under Rule 67, it is clear that the respondent court had under and pursuant to the law of its creation the power and authority to make the award complained of."

The payment of Christmas bonus is more justifiable in the case at bar than in the Philippine Education case in which said bonus was given for three (3) consecutive years, for petitioner herein had paid it for five (5) consecutive years, and regarded the amount of the Christmas bonus for 1951 as "current liability", or "part of the cost of production," which was not done by the Philippine Education Co. These circumstances become more significant when we consider that a former superintendent of petitioner herein, one by the name of Canon, had told its laborers, in 1950, "that the Christmas bonus in the next year would be increased," thus indicating, not only that said bonus would be paid in 1951, but, also, that it would be "increased." Although the order of the Presiding Judge, reversed by the Court in banc, questions the competence of Canon to promise said payment, the presumption is that he had been duly authorized to act as he did, in the absence of satisfactory proof to the contrary, and such proof is lacking. What is more, instead of being disauthorized by petitioner's board of directors, the manner in which its accounts were kept, particularly the inclusion of the amount of the bonus in "the cost of production," and the treatment thereof as "current liability," confirms said promise or amounts to a ratification and the implementation thereof. In this respect the situation is analogous to that which obtained in *H. E. Heacock Co. vs. National Labor Union* (50 Off. Gaz., 4233, 4234-4237), in which a promise of the President and General Manager of the Company was one of the factors which led to the decision favorable to the payment of bonus to the employees concerned.

As regards alleged error No. 4, suffice it to say that petitioner had not asked the Court of Industrial Relations sitting in banc to remand the case to the Presiding Judge for any purpose whatsoever, and that said court was not bound to wait for the submission of the argument of said petitioner in support of its pro forma motion for reconsideration of the resolution complained of, upon the ground "that the evidence was insufficient to justify" said resolution and that the same "is contrary to the established jurisprudence." Anyhow, petitioner has had every opportunity to present said argument before us, and we still believe that the aforementioned resolution should not be disturbed.

Wherefore, the petition is hereby denied, with costs against the petitioner. So ordered.

Pablo, Bengzon, Padilla, Montemayor, Reyes, A., Bautista Angelo, Labrador and Reyes, J. B. L., 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.