

NATIONAL DEVELOPMENT COMPANY, PETITIONER, VS. COURT OF INDUSTRIAL RELATIONS, NATIONAL TEXTILE WORKERS UNION, AND BONIFACIO R. DE LUNA, ET AL., RESPONDENTS.

G. R. No. L-13209. September 30, 1959

Ponente: ENDENCIA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/399b2db3df75/>

ENDENCIA, J.:

This is an original petition for certiorari with preliminary injunction to secure the annulment of the order of the Court of Industrial Relations dated October 12, 1957, in Case No. 129-V(7), the dispositive part of which reads:

"WHEREFORE, the Chief of the Examining Division of this Court, or any of his assistants, is hereby directed to examine the payrolls, daily time records, and other pertinent documents of respondent company in order to determine whether any or all of the 51 claimants rendered service up to 5:00 o'clock p.m. and were not compensated for the extra hours of work beyond their supposed working hours, from the year 1951 up to the present or up to the date they became monthly salaried employees and if so, to compute the amount due them and submit a report for further disposition of the Court. For the purpose of simplifying the computation of the basic rate per hour, the suggested formula should be to divide the weekly pay (rate per day times 6 days) by 40 hours."

Following is a summary of the background of the case: On March 15, 1948, the National Textile Workers Union filed with the Court of Industrial Relations a labor case, which was docketed as No. 129-V, involving among others controversy over minimum wage, vacation and sick leave, salary increases, social security, backpay, housing project, and payment of overtime. This was decided on November 5, 1948, but the case was not terminated in view of the various incidents that ensued after the rendition of the award. One of them was the filing by the petitioning Union in August, 1956, of a petition on behalf of 51 other members headed by respondent Bonifacio R. de Luna, claiming compensation for work rendered from 4:00 to 5:00 p.m. on Mondays through Fridays, and from 2:00 to 5:00 p.m. on Saturdays, or a total of eight hours per week, counted from the year 1951. This petition being the seventh incident in the case, was docketed as No. 129-V (7), involving as it did the same parties. In it these 51 members alleged that, having been assigned and/or detailed to office work in the administrative offices of the company as clerks, typists, stenographers, bookkeepers, accountants, etc., on a daily wage basis, the implied contract of their employment was that their working hours are the same as those observed by the monthly-paid employees, i.e., from 8:00 to 12:00 in the morning and from 1:00 to 4:00 in the afternoon from Mondays through Fridays, and from 8:00 a.m. to 1:00 p.m. on Saturdays; that as a matter of fact, the company had been paying them compensation for these additional hours of service, but that in 1951, payment for such additional work was stopped by the company, at the recommendation of its auditor, although they were required to continue working up to 5:00 o'clock in the afternoons as usual.

On September 1st, 1956, the National Development Company moved to dismiss the petition alleging that the Court of Industrial Relations had already lost its jurisdiction over the case by virtue of the passage of the Minimum Wage Law (R. A. 602) and of the Industrial Peace Act (R. A. 875); but the motion was denied on

January 29th, 1957. On February 7, 1957, the company filed its answer reiterating its allegations in the motion to dismiss, and averred that the case was a proper subject of collective bargaining pursuant to Republic Act No. 875. On October 12th of the same year, the order subject of these proceedings was issued by the Court of Industrial Relations maintaining its jurisdiction and holding that the petition in question was merely an incident of the main case and that the 51 petitioning members were entitled to their claim. It therefore directed its Examining Division to make the necessary computations of the amount due each and every one of them. Reconsideration of the order was sought, but was denied on November 21, 1957, by the court en banc; hence this present petition.

Petitioner National Development Company now contends that the Court of Industrial Relations had no power to make the award to the 51 members of the Union because, under the Industrial Peace Act and by virtue of the decisions of this Tribunal in the cases of *Reyes vs. Tan, et al.*, 99 Phil., 880; 52 Off. Gaz. No. 14, p. 6187, and *PAFLU vs. Tan, et al.*, 99 Phil., 854; 52 Off. Gaz. No. 13, p. 5836, the power of the Court of Industrial Relations is circumscribed only within the following cases:

"(1) When the labor dispute affects an industry which is indispensable to the national interest and is so certified by the President to the industrial court (section 10, Republic Act 875);

"(2) When the controversy refers to minimum wage under the Minimum Wage Law (Republic Act 602);

"(3) When it involves hours of employment under the Eight-Hour Labor Law (Commonwealth Act 444); and

"(4) When it involves an unfair labor practice (section 5[a], Republic Act 875).

"In all other cases, even if they grow out of a labor dispute, the industrial court does not have jurisdiction, the policy of the law being to advance the settlement of disputes between the employers and the employees through collective bargaining, recognizing 'that the real industrial peace cannot be achieved by compulsion of law' (section 1[c], in relation to section 20, Republic Act 875)."

It further maintains that the petition in question, which involves a controversy foreign to those litigated in the main case, cannot be said to be an incident thereof, as said principal case had already been decided as far back as November 5, 1948, and therefore no longer pending at the time of the passage of the Industrial Peace Act whereby the Court of Industrial Relations is empowered to continue processing cases then pending, under Commonwealth Act 103, as amended; and that neither could said court have jurisdiction under the latter Act, because the issue involved is a demand concerning terms or conditions of employment which, under R. A. 875, is a proper subject of collective bargaining as a means of promoting sound, stable industrial peace.

There is no dispute 1) that although officially and on paper the 51 members of the Union were employed by the National Development Company as workers or laborers on the daily wage basis and as such should work eight hours a day or 48 hours a week, they were, however, designated or assigned to perform, as in fact they did perform, regular office work in the administrative offices of the company as typists, stenographers, bookkeepers and accountants; 2) that the regular office hours observed by the monthly-paid regular employees of the company is from 8:00 to 12:00 in the morning and from 1:00 to 4:00 in the afternoon from Mondays through Fridays, or seven hours a day, and from 8:00 a.m. to 1:00 p.m., or 5 hours, on Saturdays, or a total of 40 hours a week; 3) that these 51 members were required to work eight hours every day from Monday to Saturday, or 48 hours a week, that is to say, from 8:00 to 12:00 in the mornings and from 1:00 to 5:00 in the afternoons from Mondays through Fridays, and from 8:00 a.m. to 1:00 p.m. and from 2:00 to 5:00 p.m. on Saturdays; and 4) that for these eight extra hours a week they were paid from the beginning of their designation or assignment as office employees until the end of 1950 when the company stopped paying them for said extra hours of work upon the recommendation of its auditor.

Under the circumstances and in view of the aforesaid conduct of the herein petitioner, the lower court was fully justified in upholding the right of the 51 respondents herein to claim compensation for said extra hours. In fact,

petitioner does not openly assail such right, for the only issue it raised in its petition is "whether or not respondent Court of Industrial Relations had jurisdiction over the case."

The record shows that the main case, No. 129-V, was filed, litigated and decided in 1948 under Commonwealth Act 103, as amended. Unlike in ordinary courts that once the decision acquires finality the case is said to be terminated, the Court of Industrial Relations is granted ample powers, during the effectiveness of the award, to alter, modify in whole or in part, or even set aside the award or decision, or reopen the case. Thus Section 17 of Commonwealth Act 103 provides:

"SEC. 17. Limit of Effectiveness of Award.—An award, order or decision of the Court shall be valid and effective during the time therein specified. In the absence of such specification, any party or both parties to a controversy may terminate the effectiveness of an award, order or decision after three years have elapsed from the date of said award, order or decision by giving notice to that effect to the Court: Provided, However, That anytime during the effectiveness of an award, order or decision, the Court may, on application of an interested party, and after due hearing, alter, modify in whole or in part, or set aside any such award, order or decision, or reopen any question involved therein"

When Republic Act 875 was enacted in June, 1953, curtailing some of the powers of the Court of Industrial Relations granted by Commonwealth Act 103, it did not deprive said court from taking cognizance of cases wrested from its jurisdiction by Republic Act 875; on the contrary, it empowered said court to process them in accordance with C. A. 103, as amended. Thus the transitory provision of the Industrial Peace Act found in Section 27 thereof, authorized the court in the following language:

"SEC. 27. Transitory Provision.—All cases pending before the Court of Industrial Relations at the time of passage of this Act shall be processed by the Court according to Commonwealth Act Numbered One hundred three, as amended by Commonwealth Acts Numbered Two hundred fifty-four, Three hundred fifty-five and Five hundred fifty-nine but the judges of the Court shall call both parties to the dispute and make every attempt to help them reach a just and speedy solution by mutual agreement."

True that the main case, No. 129-V, had already been decided five years prior to the passage of R. A. 875; but it is equally true that at the effectivity of said Act the case was still open, unsettled and pending in view of the various incidental questions relative to the processing of the award, and under the transitory provision above transcribed, the Court of Industrial Relations was duly empowered to continue processing the case under C. A. 103, as amended. And when the petition in question came up in August, 1956, which was the seventh incident in the case and for which reason it was docketed as No. 129-V(7), the whole case was still open and unsettled. In fact, only on May 25, 1957, or June 1, 1957, was the award in the main case deemed terminated when herein petitioner, by virtue of Section 17 of C. A. 103, asked that the effectiveness of the award be terminated (Annexes 6 and 7, respondent Court). The Court of Industrial Relations in calling Case No. 129-V(7) for hearing presumably to "make every attempt to help them (the parties) reach a just and speedy solution by mutual agreement," did nothing but comply with the transitory provision above referred to. Evidently the parties were at loggerheads and have failed to reach an agreement that the court had to hear the case and receive evidence which served as the basis for issuing the order of October 12, 1957. The lower court, in so doing, acted within its jurisdiction not only under C. A. 103, as amended, but under R. A. 875 as well.

Petition denied, with costs.

Paras, C. J., Bengzon, Padilla, Bautista Angelo, Labrador, Concepcion, Barrera, and Gutierrez David, 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.