

**CHAN BROS., INCORPORATED, PLAINTIFF-APPELLEE, VS.
FEDERACION OBRERA DE LA INDUSTRIA TABAQUERA Y OTROS
TRABAJADORES DE FILIPINAS, COMMONLY KNOWN AS FOITAF
& FREE DEMOCRATIC LABOR...**

G.R. No. L-34761. January 17, 1974

Ponente: FERNANDO, J.

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FERNANDO, J.:

This appeal on questions of law from a court of first instance decision enjoining acts of illegal picketing and holding liable for damages Defendant Federacion Obrera de la Industria Tabaguera y Otros Trabajadores de Filipinas and its co-defendant, Free Democratic Labor Union, Liwayway Gaugau, is primarily based on the legal proposition that in an unfair labor practice case, including other incidents interwoven with it, the jurisdiction of the Court of Industrial Relations is exclusive. Considering its indisputable character, it thus appears that this is one of those suits that a lower court, if sufficiently mindful of the authoritative and controlling precedents, could have readily disposed of. For notwithstanding its attention being called to the existence of a labor dispute and the reminder that it was the labor court that had jurisdiction over the matter, it refused to dismiss for lack of jurisdiction the complaint for injunction and damages for illegal picketing. As a result, there was added to its docket another action which need not have clogged it. What is worse, there was imposed on this Tribunal an unnecessary burden involving expenditure of time and energy to pass upon the appeal. It is fortunate that the absence of jurisdiction is quite apparent, thus entailing a minimum of effort. We reverse.

In the very complaint, after referring to the formation of "picket lines in [its] compound and premises * * *,"[1] plaintiff continued: "That the aforesaid picket line formed by and under instigation of defendants, [is] mainly and solely directed against the Liwayway Gaugau & Coffee Repacking, an entity whose offices and factory are likewise located in the same premises as the herein-plaintiff corporation; * * *." [2] It is true it denied its connection with the Liwayway Gaugau and Coffee Repacking firm with which it was admitted there was a labor controversy, with pending unfair labor practice cases in the Court of Industrial Relations, but the motion to dismiss predicated on the lack of jurisdiction of the lower court presented a more accurate version of the matter. Thus: "It is clear on the face of the plaintiff's Complaint that there exist * * * labor dispute[s] between the herein plaintiff (as branch and/or sister factory) of the Liwayway Gaugau and Coffee Repacking) and the defendants which resulted in the strike referred to by plaintiff in paragraph 4 of its Complaint. Some of these disputes are still pending resolution [in] the Court of Industrial Relations while some have not reached [a court] of justice. The above-mentioned strike was declared and staged by the defendant [unions] only because [their] members could no longer endure the ordeal, oppression and unfair labor practices being committed by the plaintiff * * *. In other words such strike is the outgrowth and extension of the long standing industrial disputes between the parties herein." [3] To sustain its plea, defendant Federacion Obrera de la Industria Tabaguera referred to the applicable cases of SMB Box Factory Workers Union vs. Victoriano, [4] Consolidated Labor Asso. vs. Caluag, [5] Erlanger and Galinger, Inc. vs. Erlanger and Galinger Employees Asso., [6] and Associated Labor Union vs. Rodriguez. [7]

As stated at the outset, the lower court, instead of passing on the merits of the controversy and ruling against defendant labor-unions which in addition to being enjoined were held liable in damages, ought to have dismissed the case for lack of jurisdiction.

1. The latest case in point, decided on September 13, 1972, with Justice Antonio as ponente, Philippine Association of Free Labor Unions vs. Quicho,[8] categorically affirms "that a complaint for injunction does not come under the jurisdiction of the Court of First Instance where the issue involved is interwoven with an unfair labor practice case pending before the Court of Industrial Relations, even if such case involves acts of violence, intimidation or coercion." [9] A rather extended discussion of the above principle is found in one of the decisions called to the attention of the lower court, Consolidated Labor Association of the Philippines vs. Caluag.[10] The opinion therein was penned by the then Justice, later Chief Justice, Concepcion. Thus: "Pursuant to section 5 (a) of Republic Act No. 875, the Court of Industrial Relations 'shall have jurisdiction over the prevention of unfair labor practices and is empowered to prevent any person from engaging in any unfair labor practice. This power shall be exclusive and shall not be affected by any other means of adjustment or prevention that has been or may be established by an agreement, code, law or otherwise.' * * * Construing this provision, in relation to section 9 of the same Act, regulating the issuance of injunctions in labor disputes, we have repeatedly held that courts of first instance may not enjoin the picketing staged in connection with such disputes, and that the jurisdiction to entertain a petition to enjoin said picketing and to issue the corresponding writ of injunction is vested exclusively in the Court of Industrial Relations, if charges of unfair labor practice, in relation to said labor disputes, are pending before the latter court prior to the filing of said petition. Thus, in National Garments and Textiles Workers' Union [Paflu] (Premier Shirts and Pants Factory Chapter) vs. Hon. Hermogenes Caluag, et al., L-9104 (September 10, 1956) we said: ' * * * But, as the record discloses, this labor dispute is already involved in the two unfair labor cases that were then pending between the same parties before the Court of Industrial Relations which were instituted much ahead in time than the instant case. The Court of Industrial Relations, therefore, had already acquired jurisdiction over this labor dispute when the instant case was instituted, which jurisdiction, concerning as it does an unfair labor practice, is exclusive of that court (Section 5[a], Republic Act 875).' The language used in *Lakas ng Pagkakaisa sa Peter Paul, et al. vs. Hon. Gustavo Victoriano*, L-9290 (January 14, 1958) was: 'It appearing that in addition to the labor dispute involved herein there were other labor cases pending between the same parties before the Court of Industrial Relations which had been instituted prior to the filing of the present case, among them Case No. 548-ULP which involved an unfair labor practice, it was declared that the court a quo has no jurisdiction to try the instant case for the same is already involved in those cases which had been submitted to the industrial court for adjudication. This step is necessary in order to avoid multiplicity of actions. If the purpose of the action is to obtain some injunctive relief against certain acts of violence of the laborers, the same can be obtained from the industrial court which is given ample power to act thereon by the Magna Carta. Verily, the court a quo acted without jurisdiction in the case.' * * * We even declared, that when 'the acts against which the injunction in question was obtained constitute unfair labor practices,' the application for injunction would be 'exclusively cognizable by the Court of Industrial Relations and beyond the jurisdiction of the * * * Court of First Instance,' even if no complaint for unfair labor practice had been filed, as yet, with the Court of Industrial Relations (*Reyes, et al. vs. Tan, et al.*, 99 Phil. 880; 52 Off. Gaz., [14], 6187)."[11] Nor is the reason for the doctrine difficult to discern. As was succinctly explained by Justice J. B. L. Reyes, speaking for the Court in *Erlanger and Galinger, Inc. vs. Erlanger and Galinger Employees Association*, [12] likewise cited in the motion to dismiss of defendants: "The reason for such exclusive jurisdiction is obvious. Since the picketing and strikes may be mere incidents or consequences of the unfair labor practice, it is but proper that the issuance of injunction be made by the court having jurisdiction over the main case, in order that the writ be issued upon cognizance of all relevant facts." [13] Considering that even in the case of a declaratory relief regarding the interpretation of a collective bargaining agreement, it was held by this Court in a 1972 decision, *Philippine-American Management*

& Financing Company, Inc. vs. Management & Supervisors Association of the Philippine-American Management & Financing Co., Inc.,[14] that such power may be exercised by the Court of Industrial Relations, the proposition that the lower court was devoid of jurisdiction appears to be incontestable. For as therein pointed out: "Increasingly, this Court has been committed to the view that unless the law speaks clearly and unequivocally, the choice should fall on the Court of Industrial Relations." [15]

It is crystal-clear then that the lower court erred in not dismissing the case.

2. Then there is the matter of picketing. Time and time again, this Court has stressed that peaceful picketing is a constitutional right[16] embraced in the guarantee of freedom of expression. It is true that it loses its character as such where acts of violence and intimidation are employed. It is understandable why it should be thus. For thereby it has been transformed from an appeal for public support through publicizing the facts of a labor dispute to the commission of anti-social acts that have no place under a rule of law. Nonetheless, as was made clear by this Tribunal in two recent cases,[17] it would be inimical to the labor movement fostered by the fundamental law itself[18] if, as it did happen here, efforts of defendant-unions to protect themselves through picketing would have been rendered nugatory not because acts of violence or intimidation were proscribed, which, if the matter were within the jurisdiction of the lower court was something fitting and proper, but because of the seeming ease with which it would hold liable for damages such labor organizations. For the premise appears to be lack of sympathy for picketing as such. What is more, if a halt is not called to a propensity to impose pecuniary liability, it is easy to discern the deleterious effects on the labor union finances, on the whole far from healthy but instead rather anemic. It would appear, therefore, that even on the assumption that the lower court was possessed of jurisdiction, which it was not, there was legitimate cause for an appeal as it was less than responsive to the plain dictates not only of the controlling statutory provisions but also of the requirements of the Constitution.

3. Lastly, it may be observed that the failure of plaintiff as appellee to file a brief must have been caused by the realization that this appeal was indeed meritorious.

WHEREFORE, the lower court decision of October 31, 1967 is reversed. Costs against plaintiff.

Zaldivar, (Chairman), Antonio, Fernandez, and Aquino, JJ., concur.

Barredo, J., took no part.

[1] Complaint, Record on Appeal, 3.

[2] Ibid, 4.

[3] Ibid, 13-14.

[4] 102 Phil. 646 (1957).

[5] 103 Phil. 1032 (1958).

[6] 104 Phil. 17 (1958).

[7] 109 Phil. 1152 (1960).

[8] L-30153, September 13, 1972, 47 SCRA 11.

[9] Ibid, 20.

[10] 103 Phil. 1032 (1958).

[11] Ibid, 1039-1040.

[12] 104 Phil. 17 (1958).

[13] Ibid. 21.

[14] L-27953, November 29, 1972, 48 SCRA 187.

[15] Ibid, 191.

[16] Security Bank Employees Union vs. Security Bank and Trust Company, L-28536, April 30, 1968, 23 SCRA 503, citing Mortera vs. Court of Industrial Relations, 79 Phil. 345 (1947); PAFLU vs. Barot, 99 Phil. 1008 (1956); De Leon vs. National Labor Union, 100 Phil. 789 (1957); Malayang Manggagawa sa Esso vs. Esso Standard Eastern, L-24224, July 30, 1965, 14 SCRA 801.

[17] Shell Oil Worker's Union vs. Shell Company of the Philippines, L--28607, May 31, 1971, 39 SCRA 276 and Caltex Filipino Managers and Supervisors Association vs. Court of Industrial Relations, L-30632, April 11, 1972, 44 SCRA 350.

[18] Both under the 1935 and the present Constitution it is a fundamental principle that labor should be afforded protection. Cf. Article XIV, Sec. 6 of the 1935 Constitution and Article II, Sec. 9 of the present Constitution which reads in full: "The State shall afford protection to labor, promote full employment and equality in employment, ensure equal work opportunities regardless of sex, race or creed, and regulate the relations between workers and employers. The State shall assure the rights of workers to self-organization, collective bargaining, security of tenure, and just and humane conditions of work. The State may provide for compulsory arbitration."

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