

MANILA RAILROAD COMPANY, PETITIONER, VS. COURT OF INDUSTRIAL RELATIONS AND STATION EMPLOYEES' UNION, RESPONDENTS.

G.R. No. L-17871, 18200, 18160, and 18249. January 31, 1964

Ponente: PADILLA, J.

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PADILLA, J.:

These are petitions for review by writ of certiorari of three (3) identical orders or judgments rendered by the respondent Court of Industrial Relations on 20 October 1960 in C.I.R. Case No. 1123-V (G. R. No. L-17871); 1 September 1960 in C.I.R. Case No. 1160-V (G. R. No. L-18200); and 22 August 1960 in C.I.R. Cases Nos. 17-IPA (4) and 18-IPA (2) (G. R. Nos. L-18160 and L-18249) which were all affirmed by the Court sitting en banc on 16 November 1960, 17 October 1960 and 17 September 1980, respectively.

Case No. 1123-V

On 28 October 1958, respondent Union, a legitimate labor organization representing 800 station employees of the Manila Railroad Company, a Government owned or controlled corporation, filed a petition in the Court of Industrial Relations which was docketed as Case No. 1123-V entitled "STATION EMPLOYEES' UNION versus MANILA RAILROAD COMPANY," alleging that about 40% of its members had worked more than eight (8) hours a day and had not been paid an additional compensation in accordance with law; that since 1 July 1957 the members of the respondent Union had worked more than forty (40) hours a week and had not been paid an additional compensation in violation of the provisions of Republic Act No. 1880 and Executive Order No. 251; that in spite of repeated demands the petitioner company had refused to implement and comply with Republic Act No. 1880; that this dispute is likely to cause a strike or lockout and is therefore imperative for the Court of Industrial Relations to take a hand in the matter for the preservation of industrial peace; and praying that the working hours of its members in excess of 8 hours a day and in excess of 40 hours a week and 5 days a week be determined, and that the Manila Railroad Company be ordered to comply with Commonwealth Act No. 444 and Republic Act No. 1880 and to pay to the workers involved the deficiency in the salaries already paid and/or to be paid.

On 11 November 1958, the Manila Railroad Company moved for the dismissal of the petition for lack of jurisdiction, but the Court of Industrial Relations deferred action on the motion until after trial. On 26 December 1958, the Manila Railroad Company filed its answer to the petition denying specifically the allegations of the respondent Union, and alleging, by way of special and affirmative defenses, that the petition states no valid cause of action; that the Court of Industrial Relations has no jurisdiction over the subject matter of the action or suit; that the respondent Union is estopped from demanding full implementation of Republic Act No. 1880 in connection with Executive Order No. 251, Series of 1957; that the nature of the work performed by the members of the respondent Union is such that services have to be rendered every day because the exigencies of the services so require, and for that reason they are not entitled to the benefits of the aforesaid law; that the respondent Union's

claim for overtime compensation rendered by some of its members had already prescribed; and that granting without admitting that under Republic Act No. 1880, Saturdays are legal holidays insofar as government corporations are concerned, the Manila Railroad Company, however, is exempt under Commonwealth Act No. 444 from paying additional compensation for being a public utility corporation.

On 20 October 1960, after trial, the Court of Industrial Relations rendered judgment holding that it has jurisdiction to implement Republic Act No. 1880; that the Manila Railroad Company is not among those exempted from the coverage of Republic Act No. 1880; that the Manila Railroad Company being a public utility, work rendered on the 6th and 7th day of the week should be treated as work in any ordinary working day in the computation of overtime compensation; and ordering the Manila Railroad Company to implement Republic Act No. 1880 and to pay double for work rendered on the 6th and 7th day of the week in accordance with its previous decision in Case No. 368-V, and the Chief Examiner of the Court or any of his assistants to make the necessary examination of the petitioner company's (Manila Railroad Company) pertinent records to determine the services rendered by the Union members on the 6th and 7th day of the week and to compute the corresponding pay including overtime compensation commencing from the payroll period ending 31 October 1955 up to the present.

On 28 October 1960, the Manila Railroad Company filed a motion for reconsideration alleging that the said order of the Court of Industrial Relations of 20 October 1960 is contrary to law and the facts. On 16 November 1960, the Court of Industrial Relations sitting en banc denied the motion. Thereupon, the Manila Railroad Company filed a petition in this Court, G. R. No. L-17871.

Case No. 1169-V

On 5 February 1959, respondent Union, a legitimate labor organization representing about 213 crew employees in the Manila and in the Northern and Southern Lines of the Manila Railroad Company, filed a petition in the Court of Industrial Relations which was docketed therein as Case No. 1169-V entitled "MRR YARD CREW UNION versus MANILA RAILROAD COMPANY".

The facts alleged in the petition are substantially the same as those pleaded in the petition of the preceding case, except that they had been paid additional compensation for work done in excess of 40 hours and more than five days a week from 1 January to 30 April 1958 and from 16 May 1958 up to the date of the filing of the petition and that they had to engage the services of an attorney. So in this case the claim for unpaid additional compensation for work done in excess of the legal hours and days a week is from 1 July 1957 to 31 December 1957 and from 1 to 15 May 1958. The prayer is the same as that in the preceding" case with an additional prayer for lawful interest and reasonable attorney's fees.

A motion to dismiss the petition for lack of jurisdiction over the subject matter of the action or suit filed by the Manila Railroad Company on 10 February 1959 was denied in an order entered on 18 March 1959.

The answer filed by the Manila Railroad Company is substantially the same as that filed in the preceding case, with an additional allegation that pursuant to Article VII of the Collective Bargaining Agreement of 4 November 1957 entered into between the Manila Railroad Company and the "Kapisanan Ng Mga Mangagawa sa Manila Railroad Company" which is the authorized representative of the respondent Union, the days and the hours of labor of the members of the Union who are directly connected with the operation of trains and buses has been staggered and adjusted by the department heads concerned to avoid disruption of the continuous operation of trains and buses; that as staggered and adjusted, the days and hours of labor of members of the Union who are directly connected with the operation of trains and buses do not exceed 40 hours a week although their off days may not necessarily fall on Saturdays and Sundays; that under the facts and the law the Union is not entitled to the relief prayed for, and prayer that the petition be dismissed.

The parties entered into a stipulation of facts, the pertinent portions of which as quoted in the Order of the Court of Industrial Relations dated 1 September 1960 are as follows:

"1. That on June 22, 1957, Republic Act No. 1880 otherwise known as the 40-Hour 5-day a Week Law, was enacted and, as implemented by Executive Order No. 251 by the President of the Philippines, was made effective July 1, 1957;

"2. * * * * *

"3. * * * * *

"4. That members of petitioner working at the Manila Terminal comprising the Tutuban Station, Caloocan Station and local stations, up to Paco Station, worked six (6) days a week from July 1, to December 31, 1957, and five (5) days a week from January 3, 1958 to the present;

"5. That members of petitioner in the Northern Lines comprising the stations from Meycauayan to San Fernando, La Union and Branches, and Southern Lines comprising from Culi-Culi to Legaspi and "Branch, worked from six (6) to seven (7) days a week from July 1 to December 31, 1957; six (6) days a week from January 1, 1958 to February 28, 1959; and five (5) .days a week from March 1, 1959 to the present time;

"6. That the one (1) or the two (2) days off given to members of petitioner, as the case may be, mentioned in the next preceding paragraphs, are staggered and/or adjusted sq that their off days do not necessarily fall on Saturdays .and Sundays; that neither do they enjoy their off days at the same time; and, that this procedure or practice was done in order to avoid disruption of continuous operation of trains;

"7. * * * * *

"8. * * * * *

"9. That respondent granted two (2) days off in a week effective January 1, 1958 to yard crew in the Manila Terminal although the two (2) days off do not necessarily fall on Saturdays and Sundays;

"10. That other matters not included in this Partial Stipulation of Facts, will be the subject of evidence in court."

On 1 September 1960, after hearing, the Court of Industrial Relations rendered judgment holding that it has jurisdiction of overtime compensation cases in accordance with the opinion of the Supreme Court in the case of Price Stabilization vs. CIR et al., 108 Phil., 134; that while it is true that Republic Act No. 1880 does not provide for payment of services rendered in excess of 40 hours or 5 days a week, yet the aforementioned law is completed by C.A. No. 444, as amended, the law on overtime compensation; that this must be so for otherwise work rendered on the 6th and 7th days of the week would not be compensable; that this petition is affected by the decision of the respondent Court in Case No. 868-V, insofar as the 7th day is concerned; that since the Manila Railroad Company had already given the benefit of the law to other employees since 1 July 1957, justice and equity demand that other employees should be entitled to the same benefits; that because the Manila Railroad Company is a public utility, work rendered on the 6th and 7th day of the week in excess of eight hours a day should be treated as an ordinary day in the computation of overtime compensation; and that the members of the Union who had worked on the 6th and 7th day of the week should be paid double compensation in accordance with the decision of the respondent court in Case No. 368-V, and ordering its Chief Examiner or any of his assistants to proceed to the premises of the Manila Railroad Company and make the necessary examination of the daily time records or any pertinent records of the members of the Union for the purpose of determining the services rendered by them (the union members) on the 6th and 7th day of the week or for every seven days of service, and compute their corresponding pay including overtime compensation from 1 July 1957 up to the

present and submit a report to the Court for its further disposition.

A motion for reconsideration of the judgment thus rendered filed by the Manila Railroad Company on 9 September 1960 was denied by the Court of Industrial Relations sitting en banc on 17 October 1960. Thereupon, the Manila Railroad Company filed a petition in this Court, G. R. No. L-18200.

Case Nos. 17-JPA-(4) and 18-IPA-(2)

On 4 November 1958, respondents "Union de Maquinistas, Fogoneros y Motormen" and "Union de Empleados de trenes", simultaneously filed two (2) separate but identical petitions in two (2) cases then pending before the Court of Industrial Relations between the Unions and the Manila Railroad Company arising from a strike staged by the Unions against the Manila Railroad Company on the 6th and 7th of October, 1957, certified by the President of the Philippines to the respondent court for compulsory arbitration. These incidental petitions were docketed in the said court as Case Nos. 17-IPA- (4) and,18-IPA-(2) entitled "Union de Maquinistas, Fogoneros y Motormen versus Manila Railroad Company" and "Union de Empleados de Trenes vs. Manila Railroad Company," respectively. After alleging that in a motion dated 28 October 1958, the Union withdrew their additional demands set forth in their amended petitions dated 3 February 1958 in order that the consideration of the "additional demands" may not interfere with the disposition of the principal demands in each of the main cases without prejudice to submitting the same in separate incidental cases, the rest of the allegations in the petition is the same as those in the two preceding cases concerning their claim for compensation for services rendered in excess of 40 hours or 5 days a week.

On 18 November 1958, the Manila Railroad Company filed two (2) separate identical answers to both petitions, setting up substantially the defense as that pleaded in the two preceding cases and praying for the dismissal of the two petitions.

On 22 August 1960, after hearing, the Court of Industrial Relations rendered a judgment similar to that in the two preceding cases. The judgment added that with regard to the locomotive drivers, firemen and motormen only the engine crew of switcher services and passenger trains have enjoyed the benefits of the law and only after September 1957, while the engine crew assigned to freight trains have not enjoyed said benefits at all, that in the case of train crew such as conductors, assistant conductors, route agents, assistant route agents, and porters all have not enjoyed the benefits of the law.

A motion for reconsideration of the judgment thus rendered in the two cases filed by the Manila Railroad Company on 27 August 1960 was denied by the respondent Court sitting en bane on 17 September 1960. Thereupon, the Manila Railroad Company filed a petition for review of the judgment in both cases (G. E. Nos. L-18160 and L-18249).

The Manila Railroad Company, a Government owned or controlled corporation, petitioner in the four cases, contends that the respondent court has no jurisdiction over the controversy submitted to it for judgment by the respondent labor unions; and that R.A. No. 1880 cannot be applied to it.

As the claim and demand for compensation for the employer has refused to pay, is a dispute that, if it is not settled, might likely be the cause of, or might lead to, a strike by the workers and employees of the railroad company who are still in its employ, the respondent Court of Industrial Relations has jurisdiction to take cognizance, hear and decide the controversy.[1]

As to whether Act No. 1880 and Executive Order No. 251; series of 1957, apply to the Manila Railroad Company, or, stated in another way, whether the Manila Railroad Company is included in the aforesaid Act and Executive Order, suffice it to quote section 3 of R.A. 1880—

The provisions of existing law to the contrary notwithstanding, this Act shall also be applicable to all laborers employed in government-owned and controlled corporations.

and part of the Executive Order which states "government-owned or controlled corporations," and as the Railroad Company does not come under the exceptions mentioned or provided in the" Act and Executive Order, to wit: schools, courts, hospitals and health clinics * * * that are not bound to obey, fulfill and comply with R.A. No. 1880 and Executive Order No. 251, series of 1957, it cannot require or compel its laborers and employees to work in excess of the hours limited by the statute. And if it does require to work in excess of the time limited by law, it has to pay compensation for overtime work done or service rendered to it at the same rate as their regular wages or salary, plus at least twenty-five per centum additional. (Sec. 3, C.A. No. 444).

As to work done or service rendered during Sundays and legal holidays, the prohibition to the employer of compulsion on the worker and employee to work or render service on those days, set aside for the rest of the latter, may be avoided by the employer by paying the laborer and employee his regular remuneration, wages or salary and an additional sum of at least twenty-five per centum of his remuneration, wage or salary. And this prohibition to compel the laborer or employee to work on Sunday and legal holidays does not apply to public utilities performing some public service such as * * * providing means of transportation, or communication (Section 4, C.A. No. 444). In other words, a public utility such as the petitioner Manila Railroad Company providing means of transportation may compel its laborers and employees to work even on Sundays and legal holidays and pay them their regular wage or salary for the day, unless the work done or service rendered is more than eight hours a day, in "which event the laborer or employee must be paid for such overtime work performed or service rendered at the same rate as their regular wage or salary, plus at least twenty-five per centum additional. The attention of the Court has not been called to any law which requires the employer to pay twice as much or double remuneration, wage or salary for work done or service rendered if by the laborer or employee during Sunday and legal holidays.

The orders or judgment under review are modified in so far as it grants double compensation for work done or service rendered on the 6th and 7th days of the week, for under C. A. No. 444 they are entitled to their regular wage or salary if the work done or service performed on those days does not exceed eight hours, and if it exceeds eight hours, the laborer or employee must be paid for such overtime work done or service performed an additional wage or salary of at least twenty-five per centum of his basic wage or salary. The rest of the judgments under review being in accordance with law, the claim having been filed within the period provided in R.A. No. 1993, is affirmed, without pronouncement as to costs.

Bengzon, C. J., Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L., Barrera, Paredes, Dizon, Regala and Makalintal, JJ., concur.

[1] Price Stabilization Corporation vs. Court of Industrial Relations, et al., 108 Phil., 134.

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