

[With Resolution of July 21, 1961]*G.R. No. L-12429. February 27, 1961*

Ponente: PADILLA, J.

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This is an appeal from a judgment rendered by the Court of First Instance of Manila holding that the dismissal of the plaintiff by the defendants "was summary, unreasonable and arbitrary," and ordering the latter to pay to the former the sum of P13,222.58, which represents the plaintiff's basic salary, high cost of living allowance, Christmas bonuses and automatic increases in salary, as computed by her pursuant to the defendant company's rules and regulations (Exhibit W), from 24 October 1953, the date she was dismissed from the service, to 21 August 1955, the date she would have retired upon reaching, the age of 55 years;[1] P20,000 for moral damages and P10,000 as attorney's fee (Civil No. 21888).

The following appears from the stipulation of facts entered into by and between the parties and the documents attached thereto and made an integral part thereof: The appellee was employed by the appellant Royal Interocean Lines as stenographer-typist and filing clerk from 5 January 1932 until the outbreak of the war on 8 December 1941, when the employment was interrupted, and from 1 March 1948 until 23 October 1953, when she was dismissed from the service (par. 2, stipulation of facts, p. 48, rec. on app.). At the time of her dismissal, the appellee was receiving a basic salary of P312 and a high cost of living allowance of P206, or a total of P518 a month (par. 3, stipulation of facts, pp. 48-49, rec. on app.). On 5 October 1953 the appellee sent a letter to the managing directors of the appellant company in Hongkong, coursed through its manager for the Philippines, the appellant J. V. Kamerling, complaining against the latter's "inconsiderate and untactful attitude" towards the employees under him and the clients of the appellant company in the Philippines (par. 5, stipulation of facts, p. 49, rec. on app.; Annexes A & B, pp. 10, 11-16, rec. on app.). On 19 October 1953 the appellant manager advised the appellee that her letter of 5 October 1953 had been forwarded to the managing directors of the appellant company in Hongkong; that in view of the contents and tenor of her letter, the managing directors believed with the appellant manager that it was impossible to maintain her further in the service of the company; that despite the fact that they were justified in dismissing her from the service and that she was not entitled to any compensation, out of generosity and in consideration of her length of service, the appellant company was willing to grant her a sum equivalent to three months salary; that in order not to adversely affect her chances of future employment with other firms, it was suggested that she hand in a formal letter of resignation effective 31 October 1953, otherwise the appellants would dismiss her; and that should they not hear from her in writing until noon of 23 October 1953, she would be considered dismissed from the service (par. 6, stipulation of facts, pp. 49-50, rec. on app.; Annex D, pp. 17-18 rec. on app.). On 23 October 1953 the appellee sent a letter to the appellants by messenger, stating that she was "compelled to hand this letter of resignation severing my services from the Royal Interocean Lines effective October 31st, 1963, much to my dislike and disappointment after being in their employment for almost twenty-two (22) years" (par. 7, stipulation of facts, p. 50, rec. on app.; Annex E, p. 19, rec. on app.). However, the appellants refused acceptance of her letter and on the same date, 23 October 1953, sent to the appellee a letter by registered mail dismissing her from the service, which she received on 27 October 1953 (par. 7, stipulation of

facts, p. 50, rec. on app.; Annex F, pp. 19-20, rec. on app.). The appellee sought reconsideration of her dismissal from the managing directors of the appellant company in Hongkong but received no answer to any of her five letters (par. 9, stipulation of facts, p. 51, rec. on app.). On 19 December 1953 the appellants finally tendered to the appellee an offer of compromise settlement whereby she would be paid the sum of P3,108 equivalent to six months salary, provided that she would sign a quit claim embodying a provision that she would release the appellants and any of their officers or employees from any civil or criminal liability and from any other liability arising from her employment (par. 10, stipulation of facts, p. 51, rec. on app.; Annexes J & K-Stipulation, pp. 30-31, 122-124, rec. on app.). Not satisfied with the offer of compromise, on 2 February 1954 the appellee brought this action for recovery of damages in the total sum of P107,002.58 and for other just and equitable relief (pp. 1-10, rec. on app.).

It appears further on the record that on 25 May 1955, the acting chief prosecutor of the Court of Industrial Relations, at the appellee's instance, filed a complaint dated 24 May 1955 in the Court of Industrial Relations, charging the appellants with unfair labor practice for having dismissed her from the service "for the reason that on October 5, 1953 she wrote a letter to the Managing Directors in Hongkong which was sent through said Kamerling, complaining against the latter's attitude and behavior to her (Miss Mariano) and other employees." and for refusing to reinstate her to her former position (Exhibit 4) ; that after the appellant company had filed its answer (Exhibit 5) to the complaint and the Court had conducted a hearing, the latter rendered judgment holding that the appellants were guilty of unfair labor practice and ordering them to reinstate the appellee to her former position with backpay from the date of dismissal to the date of reinstatement; and that the appellants had filed in this Court a petition for certiorari to review the judgment of the Court of Industrial Relations (G. R. No. L-11745). On 31 October 1960, this Court, deciding the case under review, found and held as follows:

The issue involved is whether or not the petitioner was guilty of unfair labor practice in having dismissed the respondent because the latter had filed charges against Kamerling not connected with or necessarily arising from union activities. The pertinent legal provision is section 4(a), subsection 5, of Republic Act No. 875 which read as follows: "Sec. 4, Unfair Labor Practice, (a) It shall be unfair labor practice for an employer: * * * (5) To dismiss, discharge, or otherwise prejudice or discriminate against an employee for having filed charges or for having given or being about to give testimony under this Act."

Considering the policy behind the enactment of the statute, it is readily discoverable that the provisions of sections 1 and 3 are the bases for the protection of the laborers right to self-organization, and the enumeration in section 4 (of unfair labor practices), are nothing more than a detailed description of an employer's acts that may interfere with the right of self-organization and collective bargaining.

Despite the employees' right to self-organization, the employer therefore still retains his inherent right to discipline his employees, his normal prerogative to hire or dismiss them. The prohibition is directed only against the use of the right to employ or discharge as an instrument of discrimination, interference or oppression because of one's labor or union activities. (See Rotenberg on Labor Relations, pp. 398-393.) Even from a liberal and grammatical point of view, the provision in dispute has to be interpreted in the sense that the charges, the filing of which is the cause of the dismissal of the employee, must be related to his right to self-organization, in order to give rise to unfair labor practice on the part of the employer. (Under subsection 5 of section 4(a), the employee's (1) having filed charges or (2) having given testimony or (3) being about to give testimony, are modified by "under this Act" appearing after the last item. In other words, the three acts must have reference to the employee's right to self-organization and collective bargaining, because the element of unfair labor practice is interference in such right. It would be redundant to repeat "under this Act" after each enumeration connected by the disjunctive conjunction "or".

As the respondent's dismissal has no relation to union activities and the charges filed by her against the petitioner had nothing to do with or did not arise from her union activities, the appealed decision is hereby

reversed and the directive for the respondent's reinstatement with backpay revoked.

The notice of appeal to this Court was filed on 2 May 1957 and the record on appeal allowed on 29 May 1957 before the approved of Republic Act No. 2613 on 1 August 1959. The amount involved in this appeal not being more than P200,000, it would have been certified to the Court of Appeals. However, there being a stipulation of facts and no dispute as to such facts, this Court proceeds to render judgment thereon.

Considering that the appellee's dismissal by the appellants, because of charges referred against the appellant manager with the managing director of the appellant company in Hongkong, "not connected with or necessarily arising from union activities," did not constitute unfair labor practice; that this is the same cause of action upon which her claim for recovery of damages in the case at bar is predicated; and that despite the employees' right to self-organization, the employer still retains his inherent right to discipline his employees, "his normal prerogative to hire or dismiss them." the appellee has no cause of action against the appellants. Nevertheless, as the dismissal of the appellee was without cause, because her inefficiency as the ground or reason for her dismissal as claimed by the appellants is belied by the successive increases of her compensation, the amount of P3,108 for six months salary, as offered by the appellants, should be paid to her.

The judgment appealed from is modified as above stated. The appellants are ordered to pay the appellee the sum of P3,108, without interest. No special pronouncements as to costs.

Bengzon, Acting C. J., Padilla, Bautista Angelo, Labrador, Reyes, J. B. L., Paredes, and Dizon, JJ., concur.

[1] Provided that it is not inconsistent with the judgment of the Court of Industrial Relations in CIR Case No. 527-ULP, ordering the defendants to reinstate the plaintiff to her former position with backpay from the date of her dismissal to the date of her actual reinstatement.

RESOLUTION

21 July 1961

PADILLA, J.:

This is a motion for reconsideration of the judgment rendered by this Court in this case on 27 February 1961.

On 23 October 1953, the date of the appellee's dismissal from the appellant's services, the new Civil Code, that took effect on 30 August 1950[1], had repealed article 302 of the Code of Commerce, which authorized the dismissal of an employee, with or without cause, whose service had been engaged not for a definite or fixed period of time, upon 30 days notice or payment of one month salary (*mesada*). It was only on 12 June 1954 when Republic Act No. 1052[2] was enacted into law that this right of the employee was revived. Hence on 23 October 1953, the appellee, who had been employed by the appellant company not for a definite or fixed period of time could be dismissed even without cause and would not be entitled to 30 days previous notice or payment of one month salary (*mesada*).[3]

In her motion for reconsideration the appellee contends that the provisions of the regulations regarding allowance to the "Local Staff" of the appellant company (Annex H-Stipulation, pp. 62-75, rec. on app.), which had been made known to all its employees including her, formed part of their contract and she was entitled to the benefits thereof. Even if this Court were inclined to adopt the appellee's view that the "Local Staff Allowances" (Annex H-Stipulation) amounted to, constituted or converted her employment not one of fixed period of time, or that she

could not be deprived of the benefit granted by the appellant and earned by her, still this Court could not take such view because the trial court found and held that it "can not grant plaintiff's (appellee's) claim for retirement and old age allowance for the reason that he has not complied with one of the conditions thereof, to wit, she has not completed ten successive years in permanent service from March 1, 1948 up to her retirement on August 21, 1955." From this finding and pronouncement she attempted to appeal but failed because her record on appeal was filed beyond the reglementary period. Twice on 18 July 1957 and 22 November 1957 in this Court the appellee sought to compel the trial court to allow the record on appeal but both petitions for mandamus were dismissed for lack of merit (G. R. Nos. L-12557 and L-13160). Such being the case that part of the judgment from which the appellee attempted to appeal but failed is final insofar as it concerns her. She cannot be allowed to raise it again for it is res judicata.

The motion for reconsideration is, therefore, denied.

Bengzon, Acting C.J., Labrador, Reyes, J. B. L., Paredes, and Dizon, JJ., concur.

[1] Lara vs. del Rosario, 94 Phil. 778; 50 Off. Gaz., 1975; Casabar vs. Cruz, G. R. No. L-6882, 29 December 1954; Velayo vs. Shell Co. of P.I. Ltd, 100 Phil. 186; 54 Off. Gaz., 63; Estayo vs. de Guzman, 104 Phil., 1038; 55 Off. Gaz., 7653; Altomonte to Philippine-American Drug Co., 106 Phil, 107; Sison vs. Maza, 110 Phil., 433; 61 Off. Gaz., (25) 3744. [2] Amended by Republic Act No. 1787 on 21 June 1957.

[3] Gutierrez vs. Bachrach Motor Co., Inc., 105 Phil., 9.

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