

KAPISANAN NG MANGGAGAWA SA MANILA RAILROAD CO., PETITIONER, VS. ATTY. GREGORIO FAJARDO & THE COURT OF INDUSTRIAL RELATIONS, RESPONDENTS.

G.R. No. L-33493. August 18, 1988

Ponente: GRIÑO-AQUINO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/5385a56422af/>

GRIÑO-AQUINO, J.:

This is a petition for review of the order dated January 4, 1971 of the Court of Industrial Relations in Case No. 2585-ULP (CIR-Manila) directing the Kapisanan ng Manggagawa (herein petitioner) to pay attorney's fees to Attorney Gregorio E. Fajardo, in the sum of P83,905.82 representing 25% of P335,623.26, the amount which the Kapisanan ng Manggagawa collected from its members from July 1960 up to December 1962 and which the union was ordered to refund to them pursuant to the decision of the Supreme Court in G. R. No. L-19791 dated August 14, 1968. Said award of attorney's fees was entered upon the records of this case as a lien on the judgment and/or execution pursuant thereof.

The pertinent part of the aforesaid order reads as follows:

"As to the claim of Attorney Gregorio E. Fajardo for his attorney's fee or lien of P83,905.65 representing twenty-five per centum (25%) of the total refundable amount of P335,622.61, respondent Kapisanan Ng Mga Manggagawa sa Manila Railroad Company claims that said fee or lien is based only upon the amount that may be due to the four hundred (400) complainants and not upon the amount that may be due to the entire membership of respondent Kapisanan which is not represented by Atty. Gregorio E. Fajardo in the instant case. We find no merit in this pretense.

"It cannot be disputed and/or denied that all members of respondent Kapisanan who were collected and/or assessed in the amount of five pesos (P5.00) monthly for gratuities of retired and deceased members from July, 1960 through 1962 without their consent and in violation of their constitution and by-laws were benefited by the decision or award requiring said respondent Kapisanan to refund to its members the additional fees it had been collecting from them since the increased dues were made effective until stoppage. Hence, Atty. Gregorio E. Fajardo who represented the struggling members of respondent Kapisanan to secure the refund of said additional collection of five pesos (P5.00) monthly should be paid the corresponding fee by all members who were favored and/or benefited by the decision or award secured by said four hundred (400) complainants in the instant case (see *Rufino Martinez, et al. vs. Union de Naquinistas, Fogoneros y Motormen, et al.*, G.R. Nos. L-19455-56, January 30, 1967). And considering the efforts exerted by Attorney Gregorio E. Fajardo in the success of this litigation in securing the above-mentioned decision or award not only in this Court but also in the Supreme Court, an attorney's fee or lien of twenty-five per centum (25) of the total refundable amount to the members of respondent Kapisanan is, to our mind, fair and reasonable.

"The record of the instant case discloses that the total special collection of five pesos (P5.00) monthly per Kapisanan member for 1960, 1961 and 1962 amounted to P335,623.26 [see respondents' Motion for New Trial and Opposition to Amend Portion of Resolution En Banc dated June 30, 1962, Folios 236-238; Statement of Receipts and Expenditures of the Kapisanan from January 1 to December 31, 1962 (Exhibits 'C' in 2 pages,

'C-1' and '1-A Case No, 2585-ULP')], which amount, pursuant to the decision or award of the Supreme Court in *Kapisanan Ng Mga Manggagawa sa Manila Railroad Company vs. Rafael S. Hernandez, et al.*, G. R. No. L-19791, August 14, 1968, should be refunded to the said Kapisanan members. As a fair and reasonable attorney's fee or lien, Attorney Gregorio E. Fajardo is, therefore, entitled to P83,905.82 which represents twenty-five per centum (25%) of P335,623.26." (Annex C, pp. 32-34, Rollo.)

Respondent Kapisanan Ng Manggagawa filed a Motion for Partial Reconsideration of the order dated January 4, 1971 on the ground that Attorney Fajardo is entitled, to claim attorney's fees from the 400 complainants only who signed the complaint but not from the other union members who did not sign the complaint, because there was no lawyer-client relationship between them and Attorney Fajardo.

Attorney Fajardo opposed the motion for reconsideration. He argued that all members of the respondent union who will benefit from the decision in G. R. No. 19791, regardless of whether they signed the complaint or not, should pay his attorney's fees. No distinction should be made between those who signed the petition and those who did not because under Section 17 of Republic Act 875, a complaint against the union by its members has to be signed by only 10% of the membership.

There is no gainsaying Attorney Fajardo's right to be paid reasonable fees by all the members of the union who benefitted from his services. The rule was enunciated in *Union de Empleados de Trenes vs. Kapisanan Ng Mga Manggagawa sa MRRCO*, L-14762, Dec. 20, 1961 that lawyers who represent members of the Union to secure benefits for all the employees, should be paid corresponding fees by all those favored or benefitted by the award secured by them.

However, We hold that the 25% fee fixed by the Court of Industrial Relations was excessive. Section 11, Rule VIII, Book III of The Omnibus Rules Implementing the Labor Code fixes the attorney's fees in judicial and administrative proceedings at 10% of the amount awarded (*Galvadores vs. Trajano*, 144 SCRA 138; *Halili vs. CIR*, 136 SCRA 112; *Pacific Banking Corporation vs. Clave*, 128 SCRA 110). This is the same percentage allowed by law to lawyers prosecuting workmen's compensation cases that reach the appellate court. Moreover, considering the low economic status of their clientele, the slice that labor lawyers should take from the avails of their clients' suit should not be too large as to leave the latter with only a pittance for themselves.

WHEREFORE, the order dated January 4, 1971, under review, is modified by ordering the petitioner Kapisanan Ng Manggagawa to pay out of the sum of P335,623.26, refundable by the union to its members under the decision of this Court in "*Kapisanan Ng Manggagawa sa Manila Railroad Company vs. Rafael S. Hernandez, et al.*," G. R. No. L-19791, August 14, 1968, Attorney Fajardo's fees in the sum of P33,562.32 which is equivalent to 10% of the award. This decision is immediately executory, hence, no motion for extension of time to file a motion for reconsideration will be granted.

SO ORDERED.

Narvasa, (Chairman), Cruz, and Medialdea, JJ., concur.

Gancayco, J., on leave.

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.