

PREMIERE PRODUCTIONS, INC., PETITIONER, VS. PHILIPPINE MOVIE PICTURES WORKERS' ASSOCIATION, RESPONDENT.

G.R. No. L-7338. May 31, 1955

Ponente: CONCEPCION, J.

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CONCEPCION, J.:

This is an appeal by certiorari, taken by the Premiere Productions, Inc., from a resolution of the Court of Industrial Relations sitting in banc. The factual background is set forth in the decision of this Court in the case of the Philippine Movie Pictures Workers' Association (the respondent herein) vs. Premiere Productions, Inc. (the petitioner herein), G. R. No. L-5621, promulgated on March 25, 1953, from which we quote:

"On October 2, 1951, respondent filed with the Court of Industrial Relations an urgent petition seeking authority to layoff 44 men working in three of its departments, the first batch to be laid off thirty (30) days after the filing of the petition and the rest 45 days thereafter, in order that in the intervening period it may finish the filming of its pending picture. The ground for the layoff are the financial losses which respondent was allegedly suffering during the current year.

"Petitioner opposed the request alleging that the claim of financial losses has no basis in fact it being only an act of retaliation on the part of respondent for the strike staged by the workers days before in an attempt to harass and intimidate them and weaken and destroy the union to which they belong.

"On November 5, 1951, date when the urgent petition was set for hearing, at the request of counsel for respondent, Hon. Arsenio C. Roldan, Presiding Judge of the Court of Industrial Relations, held an ocular inspection of the studios and filming premises of respondent in the course of which he interrogated about fifteen laborers who were then present in the place. On the strength of the evidence adduced during the ocular inspection Judge Roldan issued an order on November 8, 1951, allowing respondent to layoff the workers mentioned in its petition with respect to Unit No. 2 and those assigned to the Ground Maintenance Department subject to the condition that, in the event that work is available in the future, they should be reemployed. With respect to the workers assigned to Unit No. 1, the hearing was postponed.

"A subsequent hearing was held in connection with the workers assigned to Unit No. 1 and on the strength of the evidence submitted by respondent, Judge Roldan again found the petition justifiable and authorized their layoff in an order dated November 24, 1951, under the same condition as those contained in his previous order.

"Petitioner moved for the reconsideration of both orders dated November 8 and November 24, 1951, which motion the court in banc denied in a resolution issued on March 10, 1952. Hence this petition for review.

"The only issue submitted to this Court for reconsideration is: May the Court of Industrial Relations authorize the layoff of workers on the basis of an ocular inspection without receiving full evidence to determine the cause or motive of such layoff?" (Annex A, pp. 99-100, Record) (*Italics supplied.*)

Passing upon the issue thus raised we held, in said case:

"Considering the merits of the controversy before us, we are of the opinion that the required due process has

not been followed. The court a quo merely acted on the strength of the ocular inspection, it conducted in the premises of the respondent company. The petition for layoff was predicated on the lack of work and of the further fact that the company was incurring financial losses. These allegations cannot be established by a mere inspection of the place of labor specially when such inspection was conducted at the request of the interested party. As counsel for petitioners says, such inspection would at best witness "the superficial fact of cessation of work but it could not be determinative of the larger and more fundamental issue of lack of work due to lack of funds." This fundamental issue cannot be determined without looking into the financial situation of the respondent company. In fact, this matter is now being looked into by the court a quo in connection with the fourteen demands of the labor union, but before finishing its inquiry it decided to grant the layoff pending final determination of the main case. This action is in our opinion premature and has worked injustice to the laborers.

"Wherefore, the orders subject of the present petition for review are hereby set aside, and it is ordered that the case be remanded to the court of origin for further proceedings giving to petitioner an opportunity to present its evidence in support of its opposition to the urgent petition for layoff of respondent company. No pronouncement as to costs." (Annex A, pp. 104-105, Record).

On June 5, 1953, the Philippine Movie Pictures Workers' Association, hereafter referred to as the Union, filed, with the Court of Industrial Relations, a petition for the execution of said decision. Inasmuch, however, as the same was not, as yet, final, owing to a motion for reconsideration filed, with this Court, by the company, no action was taken on said petition for execution. Subsequently, or on July 13, 1953, the union filed, with the Court of Industrial Relations, another motion (Annex A of the petition) praying for the execution of the aforementioned decision of this Court, which had already become final, and for the reinstatement of the forty-four (44) employees involved in the case, with back wages. The company objected (Annex B of the petition) to this motion upon the ground that said reinstatement with back wages had not been ordered by this Court and that said company still had no work for the employees above referred to. After due hearing, Presiding Judge Roldan, of the Court of Industrial Relations, rendered a "decision" (Annex D of the petition) dated August 8, 1953, ordering "the reinstatement of the workers, as prayed for in the motion for execution," but "without payment of their back wages, and the immediate continuation of the hearing" of the "case on the merits." On motion of the union (Annex E of the petition), praying for a reconsideration of this decision, the Court of Industrial Relations sitting in banc by the vote of three (3) members thereof, namely, Associate Judges Bautista, Lantin and Yanson, with Presiding Judge Roldan and Associate Judge Castillo, dissenting—issued a resolution (Annex G of the petition), dated November 7, 1953, whereby said decision of Presiding Judge Roldan, of August 8, 1953, was "reconsidered and modified in the sense that the company should be as it is hereby ordered to pay back wages to the workers involved, from the time of their layoff, that is, from November 8 and 24, 1951, to the date of their reinstatement." The company seeks a review of this decision, by certiorari, alleging that

"The Court of Industrial Relations committed a serious mistake of law and grave abuse of discretion in ordering petitioner to reinstate the said 44 employees, and to pay them back wages." (Petition, par. X, p. 14, Record.)

It is contended by the company that the issue is:

"Could the Court of Industrial Relations, sitting in banc, order petitioner to reinstate the said 44 employees with back wages, without giving petitioner an opportunity to complete the presentation of its evidence in support of its petition for authority to layoff the said 44 employees, who is hearing the case, has been rendered his decision on matter? (Idem., par. XI.)

In support of the negative answer submitted by the company, it maintains that "the Court of Industrial Relations, by the action of a majority of its members, (a) has sentenced petitioner to pay a large sum of money

(P184,029.00), by way of damages, to the said 44 employees, without giving petitioner full opportunity to be heard; and (b) has deprived petitioner of its property without due process of law."

This pretense can not be sustained for the orders of the Court of Industrial Relations of November 8 and 24, 1951, authorizing the company to layoff the employees in question have been "set aside" by the decision of this Court, dated March 25, 1953, and, as a consequence, the relation between said employees and the company was restored to its status immediately preceding the issuance of said orders, as if the same had never been issued. And, what would have been the situation, had the Court of Industrial Relations not issued said orders of November 8 and 24, 1951? Obviously, the employees in question would have been entitled to continue working, with the corresponding pay.

As correctly stated by Associate Judge Lantin in his separate opinion, concurring in the resolution complained of:

"The two orders of the Judge a quo authorizing the lay-off of the employees concerned were set aside by the Supreme Court on appeal. We may not agree with the Supreme Court, but its decision having become final and executory, there is no point in discussing now its wisdom or soundness; our only concern is to carry it out. The lay-off having been declared illegal, the laid-off employees are entitled to immediate reinstatement, otherwise the decision of the Supreme Court would be meaningless and we would be allowing an illegal situation to continue. Moreover, in order to give full effect to said decision, and again as a necessary consequence of the illegality of the lay-off, said employees are also entitled to recover actual or compensatory damages to compensate them for the loss of their salaries or wages." (Annex H, p. 68, Record.)

In order to visualize, with greater precision, the effect of our aforementioned decision of March 25, 1953, let us suppose that said orders of November 8 and 24, 1951, had not been issued; that, in lieu thereof, the Court of Industrial Relations had, after the ocular inspection of the premises of the company, continued hearing the case; that in the course thereof, the union had full opportunity to introduce, and did introduce, its evidence; that the evidence was so bulky, or the hearing so protracted, that 'the issue could not be submitted before, say, November 7, 1953 (the date of the resolution appealed from); and that on said date, a decision was rendered authorizing the company to layoff the aforementioned employees. Under these hypothetical facts, it is clear to us that the laying off of the employees by the company would have been justified only after the promulgation of said decision; that the company would have been under obligation to pay for the services rendered by said employees prior thereto, or up to November 7, 1953; and that the company would not have been entitled to recover the amounts already paid to said employees for said services.

In this connection, it does not even appear that, in its urgent petition of October 2, 1951, seeking permission to layoff the 44 employees already adverted to, the company had prayed that they be laid off as of the time of the filing of said petition or at any time prior to the rendition of a decision thereon. In other words, the company had not asked for a decision with such a retroactive effect, and, hence, it had no possible reason to expect or assume, that the decision, even if favorable to the petition, would have said effect. Indeed, the pleadings in said case, as well as those in the one at bar, indicate that the company merely sought permission to layoff the aforementioned employee's after authority therefore had been granted in conformity with law.

It is urged that said employees would not have been laid off had it not been for the orders of the Court of Industrial Relations of November 8 and 24, 1951, granting permission therefor, and that the company should not be blamed, or held responsible, for the illegality of said orders, resulting from a denial of due process of law. It should be noted, however, that the aforementioned orders were issued upon the behest of the company. Besides, the latter knew that the orders in question were appealable; that said orders had, in fact, been appealed; and that the Supreme Court could, in consequence of the appeal, affirm, modify or reverse said orders. So, when the company laid off the employees during the pendency of the appeal—although it could have waited for its outcome,

before taking said step it, in effect, elected to assume, and did voluntarily assume, the risk of having to pay back wages, should the appeal be, as it was, successful.

Wherefore, resolution appealed from is hereby affirmed with costs against petitioner herein, Premier Productions, Inc. It is so ordered.

Pablo, Bengzon, Reyes, Bautista Angelo, Labrador, and Reyes, J. B. L., JJ., concur.

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