

BACHRACH TRANSPORTATION COMPANY, INC., PETITIONER, VS. RURAL TRANSIT SHOP EMPLOY-EEES ASSOCIATION, ET AL., RESPONDENTS.

G.R. No. L-26764. July 26, 1967

Ponente: SANCHEZ, J.

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SANCHEZ, J.:

The present appeal by way of certiorari is an offshoot of events, viz:

Respondent Union, Rural Transit Shop Employees Association [together with its sister union, Rural Transit Employees Association] went on strike on April 19, 1964, following the expiration of the 30-day legally prescribed notice. The strike was called, upon the unions' claim that their economic demands failed of acceptance and that unfair labor practices were committed by petitioner.

Conciliation at the Department of Labor failed.

On May 19, 1964, upon the authority of Section 10 of the Industrial Peace Act, the President of the Philippines certified the labor dispute to respondent Court of Industrial Relations [CIR] for action. The dispute was docketed as Case 48-IPA entitled "Rural Transit Employees Association and Rural Transit Shop Employees Association, petitioners, versus Bachrach Transportation Company, Inc. (operator of the Rural Transit), respondents."

The next day, May 20, 1964, the CIR issued an order directing -

"all the strikers to return to work immediately upon the receipt of this order and the management to get them back under the last terms and conditions existing before the dispute arose. While this dispute or investigation is pending before the Court, the respondent company is restrained from dismissing any employee, unless with the express authority of the Court."

Not long after the strikers returned to work in obedience to the two-pronged mandate just recited, petitioner started suspending and dismissing traffic and shop employees without CIR 's express authority, and transferring shop employees from the shop at the main terminal in Caloocan City to provincial shops in Nueva Ecija, Nueva Vizcaya, Isabela, and Cagayan, and back again. These acts triggered proceedings ancillary to the main Case 48-IPA, as follows:

(1) 48-IPA (2) - Petition of the company to discharge

18 drivers, 13 conductors and 12 shop

employees, dated May 29, 1964;

(2) 48-IPA (3) - Petition of the unions against non-

assignment of certain strikers, dated

June 3, 1964;

(3) 48-IPA (4) - Petition of the unions against dismissal and transfers of certain shop employees dated June 3, 1964;

(4) 48-IPA (8) &

48-IPA (14) - Petitions of the unions against the suspension and subsequent dismissal of a shop employee, dated June 12, 1964 and June 25, 1964, respectively;

(5) 48-IPA (9) - Petition of the unions against transfer of certain shop employees, dated June 12, 1964;

(6) 48-IPA (13) - Petition of the unions against transfer of certain shop employees, G. Narni and L. Palileo, dated June 25, 1964;

(7) 48-IPA (15) - Petition of the unions against transfer of certain traffic employees, dated June 25, 1964;

(8) 48-IPA (19) - Petition of the unions against dismissal of shop employees, dated July 21, 1964;

(9) 48-IPA (37) - Petition of the unions against dismissal of a traffic employee, dated January 30, 1965;

(10) 48-IPA (38) - Petition of union against dismissal of a traffic employee, dated June 12, 1965;

(11) 48-IPA (39) - Petition of company for dismissal of a traffic employee, dated July 19, 1965;

(12) 48-IPA (40) - Petition of company for dismissal of traffic employees, dated July 19, 1965;

(13) 48-IPA (41) - Petition of unions against dismissal of

certain traffic employees, dated August

23, 1965;

(14) 48-IPA (42) - Petition of union against dismissal of a traffic employee, dated January 31, 1966;

(15) 48-IPA (43) - Petition of union against dismissal of a shop employee, dated March 21, 1966;

(16) 48-IPA (44) - Petition of union against dismissal of a shop employee, dated March 28, 1966;

(17) 48-IPA (45) - Petition of union against the transfers

of a shop employee who is President

of the Shop Employees Union, dated

April 19, 1966.

Came the case of Feliciano R. Cruz, a senior employee, who had been in petitioner's service since 1952. Never assigned except temporarily once in a while to inspect provincial shops, Feliciano R. Cruz was, on July 14, 1966, transferred from the Caloocan main terminal to Bayombong, Nueva Vizcaya. This came about, so respondent union avers, close on the heels of Feliciano R. Cruz's presence on July 13, 1966 at the hearing of Incidental Case No. 48-IPA (42) where his son Jose N. Cruz, complainant therein, started testimony in his own (son's) behalf.

On July 20, 1966, respondent union went to the CIR on urgent petition for injunction [incidental Case 48-IPA (46)], this time with a prayer that the company "be enjoined from transferring Feliciano R. Cruz and other employees from the Main Terminal to provincial stations or vice-versa at least during the pendency of the certified Case No. 48-IPA, without the prior approval of this Honorable Court", and that they be afforded "such other and further relief as may be just and equitable under the premises." On August 8, 1966, before this incidental Case 48-IPA (46) could be heard on the merits, respondent union went back to court to inform CIR that the injunction therein issued as far as Feliciano R. Cruz is concerned has become moot and academic "in view of his subsequent dismissal after he testified in his behalf", which dismissal is the subject of a new incidental proceeding - Case No. 48-IPA (47). The union then prayed that the petition for injunction in Case 48-IPA (46) be thus construed to refer "to other employees."

On September 8, 1966, after due hearing, CIR issued in incidental Case 48-IPA (46), the following order:

"Without passing on the merits of the alleged acts of harassment and in order to prevent further deterioration in the relationship between the parties, the Court believes that respondent should refrain from transferring its employees during the pendency of Case No. 48-IPA.

WHEREFORE, while Case No. 48-IPA is pending before the Court, the respondent Company is enjoined from transferring any member of petitioner from the Main Terminal to the provincial stations or lines and vice-versa, unless with the express authority of the Court."

On October 10, 1966, CIR en banc denied the company's motion to reconsider the foregoing order.

The company, in due course, elevated the case to this Court on appeal by certiorari to set aside the orders of September 8, 1966 and October 10, 1966 of the CIR.

1. Petitioner makes its case along the following lines: CIR is wanting in authority to issue the injunctive order of September 8, 1966; therefore, certiorari lies to overturn that order.

The main case (48-IPA) was thrown on CIR's lap by presidential directive. It should go without saying that the controlling statute is Section 10 of the Industrial Peace Act (Republic Act 875), textually reading as follows:

"SEC. 10. Labor Disputes in Industries Indispensable to the National Interest. - When in the opinion of the President of the Philippines there exists a labor dispute in an industry indispensable to the national interest and when such labor dispute is certified by the President to the Court of Industrial Relations, said Court may cause to be issued a restraining order forbidding the employees to strike or the employer to lockout the employees, pending an investigation by the Court, and if no other solution to the dispute is found, the Court may issue an order fixing the terms and conditions of employment."

The overwhelming implication from the quoted text of Section 10 is that CIR is granted great breadth of discretion in its quest for a solution to a labor problem so certified. It is within the allowable area of this discretion, that CIR issued its Order of May 20, 1964 in the main Case 48-IPA. Thus, CIR directed "all the strikers to return to work immediately", the management "to get them back under the last terms and conditions existing before the dispute arose"; and, pending investigation of the dispute, the employer was enjoined "from dismissing any employee, unless with the express authority of the Court." This order was never directly disputed by petitioner.

But when incidental Case 48-IPA (46) [the case of Feliciano R. Cruz] came, following a number of disturbing incidents, petitioner for the first time raised its voice in protest. Petitioner claims that CIR's injunction directed against transfer of employees is without authority in law. Petitioner, however, overlooks the fact that such order was intended to stop acts that mar the process of solving the labor problem at hand; to produce the salutary effect of preventing further deterioration of the already deteriorated relationship between employer and employees. This order, we perceive, is but ancillary to the sometimes empiric process of compulsory arbitration. Said order was conceived as aid to the eventual solution of the labor question in the principal case. To say now that the injunction here disputed cannot be issued, is to abridge the power granted CIR under the terms of Section 10 of the Industrial Peace Act.

There is nothing new or unique in what we have just said. *Talisay Silay Milling Co., Inc. vs. CIR*[1] forged the doctrine that "where an action is ancillary [injunction of September 8, 1966 in incidental Case 48-IPA (46)] to a main action [48-IPA, the certified case] over which a court has jurisdiction, no independent jurisdiction is needed to enable the court to take cognizance of the ancillary action." And this, because "[t]he jurisdiction of the ancillary suit or proceeding is referable to or dependent upon the jurisdiction of the court over the principal suit or proceeding. (*United States v. Accord*, 209 F. 2d 709 [1954]; *Accord, Morrel v. United Airline Transport Corp.*, 29 F. Supp. 757 [1939])."

But petitioner complains that the injunctive order of September 8, 1966 interferes with the company's internal operations; that said order loses sight of the fact that the employees involved were shop and maintenance employees of a common carrier; and that it could produce as a result the company's failure to discharge its duties with efficiency and with safety to the riding public. Petitioner points particularly to the injunction that no transfers may be made without court authority. These, we believe, constitute no cause for complaint.

For one, petitioner's argument that rests on the proposition that it is engaged in public transportation can work the other way. In an effort to break the back of a union, a common carrier may resort to suspensions, transfers and dismissals of employees without any regard at all to efficiency in service and safety to passengers. And this is not impossible either. Replacements are not usually unavailable. To do away with such danger, CIR, after presidential

certification, should have the power to effectively oversee the labor dispute to the extent that it can take care that no further prejudice to national interest shall be caused.

And then, we prefer to think that the CIR Judges are not insensible to legitimate representations made in line with efficient service and the interest of the riding public, and to act thereon with dispatch. And, if, as in this case, CIR, after weighing the evidence before it, and inspite of the fact that petitioner is a common carrier, issued the order - to arrest "further deterio-ration in the relationship between the parties" - then we must say that we should not interfere with CIR's discretion. It is impermissible for us to do so; we should not tamper with the statutory scheme.

2. Petitioner's posture is vulnerable, viewed from another direction.

The presidential certification under Section 10 of Republic Act 875, brings the dispute under the operation of Commonwealth Act 103. For, the case is one for compulsory arbitration.

Pertinent to be borne in mind is that Section 1 of Common-wealth Act 103 accords CIR jurisdiction -

"to consider, investigate, decide, and settle all questions, matters, controversies, or disputes arising between, and/ or affecting employers and employees."

Section 20 thereof grants CIR -

"powers as generally pertain to a court of justice; Pro-vided, however, That in hearing, investigation and determination of any question or controversy and in exercising any duties and power under this Act, the Court shall act according to justice and equity and substantial merits of the case, without regard to technicalities."

CIR's jurisdiction here is not limited to the prevention of strikes and lockouts, to fix the terms and conditions of employ-ment. Rather, we say that the broad sweep of the statutory precepts just quoted unquestionably gives CIR power to explore ways and means to enhance solution of a labor dispute. This is but in pursuance of CIR's duty - in a specific case certified by the President under Section 10, Republic Act 875 - to channel its attention to disposal of the dispute, in the public interest. There is no reason then why the hands of CIR should be unduly shackled; as there is no reason why it should be prevented from stopping transfers, suspensions or dismissals of employees by the employer without court approval while the main labor case remains pending. And again, to reach a solution of the certified labor dispute, wide powers and jurisdiction are granted CIR.[2]

What will happen if, pending solution of such a labor con-troversy, piecemeal dismissals or suspensions or indiscriminate transfers are resorted to? The ills sought to be remedied by presidential certification will surely be aggravated. One of the parties may even be forced out of existence. National interest will suffer thereby.

Legalistic and practical considerations prop up the questioned order of September 8, 1966. Because, that order does not deny the employer's right - if properly exercised - to transfer its employees; said order simply requires court approval. Evidently, court approval was intended to forestall unjustified transfers; to protect the union members from harassment; and then, too, to prevent the use of a strong arm in retaliation against, if not to bust, the union itself. That order, indeed, has but the beneficent effect of simply maintaining the parties in their status quo until the labor dispute shall have been disposed of. And jurisdiction stands.

3. Petitioner presses the argument that there is no showing of unfair labor practice on petitioner's part; and that, accordingly, the order of September 8, 1966 should be set aside.

It will be recalled that the disputed order expressly states that CIR did not pass on the merits of the alleged acts of harass-ment the unions imputed upon petitioner. Nothing in the record would show that the numerous incidental cases heretofore listed have been disposed of. But, the fact that unfair labor practice has not as yet been

conclusively established did not take jurisdiction away from CIR. For, CIR's jurisdiction under Section 10 is separate and apart from its jurisdiction in unfair labor practice cases.

The unifying expositor of the law on the jurisdiction of the Court of Industrial Relations, following the passage of the Industrial Peace Act, is *Campos vs. Manila Railroad Co.*, L-17905, May 25, 1962. The language we there employed was:

"We may, therefore, restate, for the benefit of the bench and the bar, that in order that the Court of Industrial Relations may acquire jurisdiction over a controversy in the light of Republic Act No. 875, the following circumstances must be present: (a) there must exist between the parties an employer-employee relationship, or the claimant must seek his reinstatement; and (b) the controversy must relate to a case certified by the President to the CIR as one involving national interest, or must have a bearing on an unfair labor practice charge, or must arise either under the Eight-Hour Labor Law, or under the Minimum Wage Law. In default of any of these circumstances the claim becomes a mere money claim that comes under the jurisdiction of the regular courts." [3]

The foregoing pronouncement in *Campos*, made after a review of previous cases on CIR jurisdiction, [4] was echoed and reechoed in subsequent cases. [5]

It is well to note that, by settled jurisprudence, the jurisdiction of CIR in labor cases certified by the President under Section 10, Republic Act 875, is totally independent of its jurisdiction in cases involving unfair labor practice. This clinches respondents' submission that there is no necessity for a showing of unfair labor practice in order that CIR can provide for injunctive relief upon the powers granted under Section 10, Republic Act 875.

4. Petitioner assails the order of September 8, 1966 also because of non-compliance with the terms of Section 9 (d), Republic Act 875, reproduced as follows:

"(d) No court of the Philippines shall have jurisdiction to issue a temporary or permanent injunction in any case involving or growing out of a labor dispute, as herein defined except after hearing the testimony of witnesses in open court (with opportunity for cross examination) in support of the allegations of a complaint made under oath, and testimony in opposition thereto, if offered, and except after finding of fact by the Court, to the effect:

- (1) That unlawful acts have been threatened and will be committed unless restrained, or have been committed and will be continued unless restrained, but no injunction or temporary restraining order shall be issued on account of any threat or unlawful act excepting against the person or persons, association, or organization making the threat or committing the unlawful act or actually authorizing or ratifying the same after actual knowledge thereof;
- (2) That substantial and irreparable injury to complainant's property will follow;
- (3) That as to each item of relief granted greater injury will be inflicted upon complainant by the denial of relief than will be inflicted upon defendants by the granting of relief;
- (4) That complainant has no adequate remedy at law; and
- (5) That the public officers charged with the duty to protect complainant's property are unable or unwilling to furnish adequate protection." [6]

We cannot conceive of any justifiable reason for reading the foregoing statutory provision as controlling CIR's jurisdiction to issue the injunction under the next succeeding section - Section 10, Republic Act 875. The two, Section 9 (d) and Section 10, both of Republic Act 875, are separate and entirely distinct legal precepts. The one is not an adjunct of or dependent on the other. Section 9 (d) treats of injunctions in ordinary labor disputes; Section 10 deals exclusively with special labor cases, - "Labor Disputes in Industries Indispensable to the

National Interest" - which require certification by the State's Chief Executive.

Then, Section 10 of the Industrial Peace Act gives CIR authority to issue restraining orders apart from, and without any reference to, the requirements in Section 9 (d). The absence of such requirements in Section 10 is reason enough to show legislative intent: no such requirements need be shown. Section 10, written in clear language, precludes resort to legal herme-neutics. This Court may not intrude into the legislative domain.

Furthermore, Section 9 (d) speaks of unlawful acts. The words unlawful acts mean violence, breaches of the peace, and similar criminal acts; but do not include a general reference to anything that may be considered illegal.[7] This definition finds support in the fifth requisite in Section 9 (d), which requires as a condition the inability of public officers to furnish adequate protection. And adequate protection is summoned where violence, breaches of the peace and allied acts are resorted to.

Finally, if the rule were as petitioner would want it to be, then no injunction may issue under Section 10 unless "unlawful acts [as thus defined] have been threatened and will be committed unless restrained, or have been committed and will be continued unless restrained." Such a construction does violence to the wording of Section 10, and will substantially curtail CIR's power to create a favorable climate for the proper determination of labor disputes certified by the President. Because then a strike or lockout if carried on in an orderly manner - without the attendant "unlawful acts" - can never be restrained. The overriding consideration in the issuance of injunctions under Section 10 aforesaid, is national interest. It would suffice under that statutory provision if injunction is issued as an aid to the disposal of a certified labor dispute in industries indis-pensable to national interest.

We are thus left under no doubt that CIR may exercise the powers conferred upon it by Section 10 of Republic Act 875 independent of whether or not the conditions set forth in Section 9 (d) of the said Act are present.

Upon the foregoing considerations, we vote to affirm the orders of September 8, 1966 and October 10, 1966 under review, and to deny the petition for certiorari by way of appeal therefrom.

Costs against petitioner.

SO ORDERED.

Reyes, JBL, Makalintal, Bengzon, Zaldivar, Ruiz Castro, Angeles, and Fernando, JJ., concur.
Concepcion, C.J., and Dizon, J., on leave, did not take part.

[1] L-21582, November 29, 1966.

[2] PAFLU vs. Tan, 99 Phil. 854, 860-862; Philippine Maritime Radio Officers Association vs. CIR, 102 Phil. 373, 382-383; Bisaya Land Transportation Co., Inc. vs. CIR, 102 Phil. 438, 442; Hind Sugar Co., Inc. vs. CIR, L-13364, July 26, 1960; Feati University vs. Bautista, L-21278, L-21462 and L-21500, December 27, 1966.

[3] Underscoring supplied.

[4] PAFLU vs. Tan, *supra*, at p. 862; PRISCO vs. CIR, L-13806, May 23, 1960; Sy Huan vs. Bautista, L-16115, August 29, 1961.

[5] Naguiat vs. Arcilla, L-16602, February 28, 1963; Araullo vs. Monte de Piedad Savings Bank, L-17840, April 23, 1963; Barranta vs. International Harvester Company of the Philip-pines, L-18198, April 22, 1963; National Mines & Allied Workers' Union vs. Philippine Iron Mines, Inc., L-19372, October 31, 1964; Mercado vs. Elizalde & Co., Inc., L-18962, December 23, 1964; Oriental Tin Cans Workers' Union vs. Court of Industrial Relations,

L-17695, February 26, 1965; Edward J. Nell Corporation vs. Cubacub, L-20842, June 23, 1965; Bay View Hotel, Inc. vs. Manila Hotel Workers' Union, L-21803, December 17, 1966.

[6] Underscoring supplied.

[7] Brotherhood of Railroad Trainmen vs. Central of Georgia Railway Co., 229 F. 2d 901, 905. See: Wilson & Co. vs. Birl, 105 F. 2d 948, 950-951.

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