

LUZON STEVEDORING CO., INC., PETITIONER, VS. LUZON MARINE DEPARTMENT UNION AND THE HON. MODESTO CASTILLO, THE HON. JOSE S. BAUTISTA, THE HON. V. JIMENEZ YANSON AND THE HON. JUAN...

G. R. No. L-9265. April 29, 1957

Ponente: FELIX, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/67df4f68bea2/>

FELIX, J.:

This case involves a petition for certiorari filed by the Luzon Stevedoring Co., Inc., to review a resolution dated June 5, 1955, issued by the Court of Industrial Relations. On September 5, 1955, with leave of court, a supplemental petition was filed by said petitioner, and both petitions were given due course by resolution of this Court of September 15, 1955. The facts of the case may be summarized as follows:

On June 21, 1948, herein respondent Luzon Marine Department Union filed a petition with the Court of Industrial Relations containing several demands against herein petitioner Luzon Stevedoring Co., Inc., among which were the petition for full recognition of the right of collective bargaining, close shop and check off. However, on July 18, 1948, while the case was still pending with the CIR, said labor union declared a strike which was ruled down as illegal by this Court in case G. R. No. L-2660, promulgated on May 30, 1950. In view of said ruling, the Union filed a "Constancia" with the Court of Industrial Relations praying that the remaining unresolved demands of the Union presented in their original petition, be granted. Said unresolved demands are the following:

a. Point No. 2.

"That the work performed in excess of eight (8) hours be paid an overtime pay of 50 per cent the regular rate of pay, and that work performed on Sundays and legal holidays be paid double the regular rate of pay",

b. Point No. 7.

"That all officers, engineers and crew members of motor tugboats who have not received their pay corresponding to the second half of December, 1941, be paid accordingly".

c. Point No. 11.

"That Ciriaco Sarmiento, Chief Mate, M/V Ularlin, Kafeel Santos, Port Engineer, and Lorenzo de la Cruz, Chief Engineer, M/V Shark, who have been suspended without justifiable cause and for union activities, be reinstated with pay from time of suspension".

d. Point No. 12.

"That all officers, engineers and crew members of the motor tugboats "Shark", "Herring-", "Pike" and "Ray", who have been discharged without justifiable cause and for union activities, be reinstated with pay from time of discharge", (p, 65-66, Record).

On the basis of these demands, the case was set for hearing and the parties submitted their respective evidence,

both oral and documentary, from June 8, 1951, to January 7, 1954. In one of the hearings of the case, the original intervenor in L-2660, Union de Obreros Estibadores de Filipinas (UOEF), through counsel, moved for the withdrawal of said Union from the case, which motion was granted by the Court.

After the parties had submitted exhaustive memoranda, the trial Judge rendered a decision on February 10, 1955, finding that the company gave said employees 3 free meals every day and about 20 minutes rest after each mealtime; that they worked from 6:00 a.m. to 6:00 p.m. every day including Sundays and holidays, and for work performed in excess of 8 hours, the officers, patrons and radio operators were given overtime pay in the amount of P4 each and P2 each for the rest of the crew up to March, 1947, and after said date, these payments were increased to P5 and P2.50, respectively, until the time of their separation or the strike of July 19, 1948; that when the tugboats underwent repairs, their personnel worked only 8 hours a day excluding Sundays and holidays; that although there was an effort on the part of claimants to show that some had worked beyond 6:00 p.m., the evidence was uncertain and indefinite and that demand was, therefore, denied; that respondent Company, by the nature of its business and as denned by law (Section 18-b of Commonwealth Act No. 146, as amended) is considered a public service operator by the Public Service Commission in its decision in case No. 3035-C entitled "Philippine Shipowners . Association vs. Luzon Stevedoring Co., Inc., et al." (Exh, 23), and, therefore, exempt from paying additional remuneration or compensation for work performed on Sundays and legal holidays, pursuant to the provisions of section 4 of Commonwealth Act No. 444 (Manila Electric Co. vs. Public Utilities Employees Association, 79 Phil., 408, 44 Off. Gaz., 1760) ; and ruled that:

"For the above reasons, the aforementioned employees are only entitled to receive overtime pay for work Tendered in excess of 8 hours on ordinary days including Sundays and legal holidays.

"However, the respondent company has proved to the satisfaction of the Court that it has paid its employees for such overtime work as shown above Exhs. 1 to 20-B).

"It is, therefore, only a matter of computation whether such over time pay by the respondent for overtime services rendered covers the actual overtime work performed by the employees concerned equivalent to 25 per cent which is the minimum rate fixed by law in the absence of other proof to justify the granting' of more beyond said minimum rate."

Demands Nos. 11 and 12 regarding the reinstatement to the service of the employees named therein were denied and respondent Company was only ordered to pay the reparation pay and overtime work rendered by Ciriaco Sarmiento, Rafael Santos and Lorenzo de la Cruz, after making the pronouncement that their separation or dismissal was not due to union activities but for valid and legal grounds.

The Luzon Marine Department Union, through counsel, therefore, filed a motion for reconsideration praying that the decision of February 10, 1955, be modified so as to declare and rule that the members of the Union who had rendered services from 6:00 a.m. to 6:00 p.m. were entitled to 4 hours' overtime pay; that whatever little time allotted to the taking of their meals should not be deducted from the 4 hours of overtime rendered by said employees, that the amounts of P3 and P2 set aside for the daily meals of the employees be considered as part of their actual compensation in determining the amount due to said employees for their unpaid overtime work; that the employees separated from the service without just cause be paid their unearned Wages and salaries from the date of their separation up to the time the decision in case L-2660 became final; and for such other relief as may be just and equitable in the premises.

Luzon Stevedoring Go., Inc. also sought for the reconsideration of the decision only in so far as it interpreted that the period during which a seaman is aboard a tugboat shall be considered as "working time" for the purpose of the Eight-Hour-Labor Law.

In pursuance of Section 1 of Commonwealth Act No. 103, as amended by Commonwealth Act No. 254 and further amended by Commonwealth Act No. 559, the motions for reconsideration were passed upon by the Court en banc, and on June 6, 1955, a resolution modifying the decision of February 10, 1955, was issued, in the sense that the 4 hours of overtime work included in the regular daily schedule of work from 6:00 a.m. to 6:00 p.m. should be paid independently of the so-called "coffee-money", after making a finding that said extra amounts were given to crew members of some tugboats for work performed beyond 6:00 p.m. over a period of some 16 weeks. The Company's motion for reconsideration was denied.

From this resolution, the Luzon Stevedoring Co., Inc. filed the present petition for certiorari and when the Court of Industrial Relations, acting upon said Company's motion for clarification, ruled that the 20 minutes' rest given the claimants after mealtime should not be deducted from the 4 hours of overtime worked performed by said claimants, petitioner filed a supplemental petition for certiorari dated September 5, 1955, and both petitions were given due course by this Court.

Respondent Luzon Marine Labor Union filed within the reglementary period a motion to dismiss, which this Court considered as an answer by resolution of October 14, 1955, alleging that the decision, resolution and order of the Court of Industrial Relations sought to be reviewed by petitioner do not present any question of law, the issues in said CIR case No. 147-V being purely factual. The respondent judges of the Court of Industrial Relations, represented by counsel, timely filed an answer likewise asserting that there could have been no question of law involved or error of law committed by the said Judges in the resolutions appealed from, same having been based on purely findings of fact.

In this instance, petitioner does not seek to alter the lower court's finding that the regular daily schedule of work of the members of the herein respondent Union was from 6:00 a.m. to 6:00 p.m. Petitioner, however, submits several "issues" which We will proceed to discuss one after the other. They are the following:

I. Is the definition for "hours of work" as presently applied to dryland laborers equally applicable to seamen? Or should a different criterion be applied by virtue of the fact that the seamen's employment is completely different in nature as well as in condition of work from that of a dryland laborer?

Petitioner questions the applicability to seamen of the interpretation given to the phrase "hours of work" for the purpose of the Eight-Hour Labor Law, insinuating that although the seamen concerned stayed in petitioner's tugboats, or merely within its compound, for 12 hours, yet their work was not continuous but interrupted or broken. It has been the consistent stand of petitioner that while it is true that the workers herein were required to report for work at 6:00 a.m. and were made to stay up to 6:00 p.m., their work was not continuous and they could have left the premises of their working place were it not for the inherent physical impossibility peculiar to the nature of their duty which prevented them from leaving the tugboats. It is the Company's defense that a literal interpretation of what constitutes non-working hours would result in absurdity if made to apply to seamen aboard vessels in bays and rivers, and We are called upon to make an interpretation of the law on "non-working hours" that may comprehend within its embrace not only the non-working hours of laborers employed in land jobs, but also of that particular group of seamen, i.e., those employed in vessels plying in rivers and bays, since admittedly there is no need for such ruling with respect to officers and crew of interisland vessels, which have aboard 2 shifts of said men and strictly follow the 8-hour working period.

Section 1 of Commonwealth Act No. 444, known as the Eight-Hour Labor Law, provides:

"Sec. 1. The legal working day for any person employed by another shall be of not more than eight hours daily. When the work is not continuous, the time drawing which the laborer is not working AND CAN LEAVE HIS WORKING PLACE and can rest completely, shall not be counted."

The requisites contained in this section are further implemented by contemporary regulations issued by administrative authorities (Sections 4 and 5 of Chapter III, Article 1, Code of Rules and Regulations to Implement the Minimum Wage Law).

For the purposes of this case, We do not need to set for seamen a criterion different from that applied to laborers on land, for under the provisions of the above quote'd section, the only thing to be done is to determine the meaning and scope of the term "working place" used therein. As We understand this term, a laborer need not leave the premises of the factory, shop or boat in order that his period of rest shall not be counted, it being enough that he "cease to work", may rest completely and leave or may leave at his will the spot where he actually stays while working, to go somewhere else, whether within or outside the premises of said factory, shop or boat. If these requisites are complied with, the period of such rest shall not be counted.

In the case at bar We do not need to look into the nature of the work of claimant mariners to ascertain the truth of petitioner's allegation that this kind of seamen have had enough "free time", a task of which We are relieved, for although after an ocular inspection of the working premises of the seamen affected in this case the trial Judge declared in his decision that the Company gave the complaining laborers 3 free meals a day with a recess of 20 minutes after each meal, this decision was specifically amended by the Court en banc in its Resolution of June 6, 1955, wherein it held that the claimants herein rendered services to the Company from 6:00 a.m. to 6:00 p.m. including Sundays and holidays, which implies either that said laborers were not given any recess at all, or that they were not allowed to leave the spot of their working place, or that they could not rest completely. And such resolution being on a question essentially of facts this Court is now precluded to review the same (Com. Act No. 103, Sec. 15, as amended by Sec. 2 of Com. Act

No. 559; Rule 44 of the Rules of Court; *Kaisahan Ng Mga Manggagawa sa Kahoy sa Filipinas vs. Gotamco Sawmill*, 80 Phil., 521; *Operators, Inc. vs. Pelagic*, 99 Phil., 893, and others).

II. Should a person be penalized for following an opinion issued by the Secretary of Justice in the absence of any judicial pronouncement whatsoever?

Petitioner cites Opinion No. 247, Series of 1941 of the Secretary of Justice to a query made by the Secretary of Labor in connection with a similar subject matter as the one involved in this issue, but that opinion has no bearing on the case at bar because it refers to officers and crew on board interisland boats whose situation is different from that of mariners or sailors working in small tugboats that ply along bays and rivers and have no cabins or resting places for persons that man the same. Moreover, We cannot pass upon this second issue because, aside from the fact that there appears nothing on record that would support petitioner's assertion that in its dealing with its employees, it was guided by an opinion of the Secretary of Justice, the issue involves a mere theoretical question.

III. When employees with full knowledge of the law, voluntarily agreed to work for so many hours in consideration of a certain definite wage, and continue working without any protest for a period of almost two years, is said compensation as agreed upon legally deemed and retroactively presumed to constitute full payment for all services rendered, including whatever overtime wages might be due? Especially so if such wages, though received years before the enactment of the Minimum Wage¹ Law, were already set mostly above said minimum wage?

IV. The members of respondent Union having expressly manifested acquiescence over a period of almost two years with reference to the sufficiency of their wages and having made no protest whatsoever with reference to said compensation, does the legal and equitable principle of estoppel operate to bar them from making a claim for, or making any recovery of, back overtime compensation?

We are going to discuss these two issues jointly. Section 6 of Commonwealth Act No. 444 provides:

"Sec. 6. Any agreement or contract between the employer and the laborer or employee contrary to the provisions of this Act shall be null and void ab initio."

In the case of the Manila Terminal Co. vs. Court of Industrial Relations et al., 91 Phil., 625, 48 Off. Gaz., 2725, this. Court held:

"The principles of estoppel and laches cannot be invoked against employees or laborers in an action for the recovery of compensation for past overtime work. In the first place, it would be contrary to the spirit of the Eight-Hour Labor Law, under which, as already seen, the laborers cannot waive their right to extra compensation. In the second place, the law principally obligates the employer to observe it, so "much so that it punishes the employer for its violation and leaves the employee free and blameless. In the third place, the employee or laborer is in such a disadvantageous position as to be naturally reluctant or even apprehensive in asserting a claim which may cause the employer to devise a way for exercising its right to terminate the employment.

Moreover, if the principle of estoppel and laches is to be applied, it would bring about a situation whereby the employee or laborer, who can not expressly renounce the right to extra compensation under the Eight-Hour Labor Law, may be compelled to accomplish the same thing by mere silence or lapse of time, thereby frustrating the purpose of the law by indirection."

This is the law on the matter and We certainly adhere to it in the present case. We deem it, however, convenient to say a few words of explanation so that the principle enunciated herein may not lead to any misconstruction of the law in future cases. There is no question that the right of the laborers to overtime pay cannot be waived. But there may be cases in which the silence of the employee or laborer who lets the time go by for quite a long period without claiming or asserting his right to overtime compensation may favor the inference that he has not worked any such overtime or that his extra work has been duly compensated. But this is not so in the case at bar. The complaining laborers have declared that long before the filing of this case, they had informed Mr. Martinez, a sort of overseer of the petitioner, that they had been working overtime and claiming the corresponding compensation therefor, and there is nothing on record to show that the claimants, at least the majority of them, had received wages in excess of the minimum wage later provided by Republic Act No. 602, approved April 6, 1951. On the contrary, in the decision of the trial Judge, it appears that 34 out of the 58 claimants received salaries less than the minimum wage authorized by said Minimum Wage Law, to wit:

Per month

1. Ambrosio Tanada but after passing the examinations his wages were increased to P225 per month;
oiler P82.50
2. Patricio Santiagobut after passing the examinations his wages were increased to P225 per month;
quartermaster 82.50
3. Fidelino Viilanueva
oiler 82.50
4. Pedro Filamor then his wage was reduced to P67.50 per month as cook; quartermaster 82.50
5. Emiliano Irabo then his wage was reduced to P60 and he stayed for 1 month only; it was increased again to P67.50;

seaman 67.50

6. Juanito de Luna

oiler 82.50

7. Benigno Curambao oiler 82.50

8. Salvador Mercadillo oiler 82.50

9. Nicasio Sta. Lucia

cook 82.00

10. Damaso Arciaga seaman 82.50

11. Leonardo Patmigot oiler 82.50

12. Bienvenido Crisostomo oiler 82.50

13. Isidro Malabanan

cook 82.00

14. Saturnine Tumbokon seaman 67.50

15. Bonifacio Cortex quarter-master 82.50

16. Vietorio Carillo cook 67.50

17. Francisco Atilano cook 67.50

18. Gualberto Legaspi seaman 67.50

] 9. Numeriano Juanillo

quarter-master 82.50

20. Moises Nicodemus quarter-master 82.50

21. Arsenio Itidiano seaman 82.50

22. Ricardo Autencio oiler 82.50

23. Mateo Areiaga seaman 67.50

24. Eomuio Magallanes

quarter-master 82.50

25. Antonio Belbes seaman 67.50

26. Benjamin Aguirre quarter-master 82.50

27. Emilio Anastasio quarter-master 82.50

28. Ealtazar- Labrada oiler 82.50

29. Emetcrio Magallanes

seaman 67.50

30. Agripino Laurente quarter-master 82.50

31. Roberto Francisco oiler 82.50

32. Elias Matrocinio seaman 82.50

33. ftaltazar Vega seaman 67.50

34. Jose Sanchez. oiler 82.50

Consequently, for lack of the necessary supporting evidence for the petitioner, the inference referred to above cannot be drawn in this case.

V. Granting, without conceding, that any overtime pay in arrears is due, what is the extent and rule of retro-activity with reference to overtime pay in arrears as set forth and established by the precedents and policies of the Court of Industrial Relations in past decisions duly affirmed by the Honorable Supreme Court?

VI. Is the grant of a .sizeable amount as back overtime wages by the Court of Industrial Relations in consonance with the dictates of public policy and the avowed national and government policy on economic recovery and financial stability?

In connection with issue No. 5, petitioner advances the theory that the computation of the overtime payment in arrears should be based from the filing of the petition. In support of this contention, petitioner cites the case of Gotamco Lumber Co. vs. Court of Industrial Relations, 85 Phil., 242; 47 Off. Gaz., 3421. This case is not in point; it merely declares that Commonwealth Act No-444 imposes upon the employer the duty to secure the permit for overtime work, and the latter may not therefore be heard to plead his own negligence as exemption or defense. The employee in rendering extra services at the request of his employer has a right to assume that the latter has complied with the requirements of the law and therefore has obtained the required permission from the Department of Labor (47 Off. Gaz., 3421). The other decisions of the Court of Industrial Relations cited by petitioner, to wit: Cases 6-V, 7-V and 8-V, Gotamco & Co., Dy Pac & Co., Inc. and D. C. Chuan; Case 110-V, National Labor Union vs. Standard Vacuum Oil Co.; Case No. 76-V, Dee Cho Workers, CLO vs. Dee Cho Lumber Co., and Case No. 70—V, National Labor Union vs. Benguet Consolidated Mining Co., do not seem to have reached this Court and to have been affirmed by Us.

It is of common occurrence that a workingman has already rendered services in excess of the statutory period of 8 hours for some time before he can be led or he can muster enough courage to confront his employer with a demand for payment thereof Fear of possible unemployment sometimes is a very strong factor that gags the working-man from asserting his right under the law and it may take him months or years before he could be made to present a claim against his employer. To allow the workingman to be compensated only from the date of the filing of the petition with the court would be to penalize him for his acquiescence or silence which We have declared in the case of the Manila Terminal Co. vs. CIR, supra, to be beyond the intent of the law. It is not just and humane that he should be deprived of what is lawfully his under the law, for the true intendent of Commonwealth Act No. 444 is to compensate the worker for services rendered beyond the statutory period and this should be made to retroact to the date when such services were actually performed.

Anent issue No. VI, petitioner questions the reasonableness of the law providing for the grant of overtime wages. It is sufficient for Us to state here that courts cannot go outside of the field of interpretation so as to inquire into the motive or motives of Congress in enacting a particular piece of legislation. This question, certainly, is not within Our province to entertain.

It may be alleged, however, that the delay in asserting the right to back overtime compensation may cause an

unreasonable or irreparable injury to the employer, be - cause the accumulation of such back overtime wages may become so great that their payment might cause the bankruptcy or the closing of the business of the employer who might not be in a position to defray the same. Perhaps this situation may occur, but We shall. not delve on it this time because petitioner does not claim that the payment of the back overtime wages it is ordered to pay to its claimant laborers will cause the injury it foresees or force it to close its business, a situation which it speaks of theoretically and in general.

VII. Should not a Court of Industrial Relations' resolution, en banc, which is clearly unsupported in fact and in law, patently arbitrary and capricious and absolutely devoid of sustaining reason, be declared illegal? Especially so, if the trial court's decision which the resolution en banc reversed, is most detailed, exhaustive and comprehensive in its findings as well as most reasonable and legal in its conclusions?

This issue was raised by petitioner in its supplemental petition and We have this much to say. The Court of Industrial Relations has been considered "a court of justice" (*Metropolitan Transportation Service vs. Paredes*, * G. R. No. L-1232, prom. January 12, 1948), although in another case. We said that it is "more an administrative board than a part of the integrated judicial system of the nation" (*Ang Tibay vs. Court of Industrial Relations*, 69 Phil., 635). But for procedural purposes, the Court of Industrial Relations is a court with well-defined powers vested by the law creating it and with such other powers as generally pertain to a court of justice (Sec. 20, Com. Act No. 103). As such, the general rule that before a judgment becomes final, the Court that rendered the same may alter or modify it so as to conform with the with the law and the evidence, is applicable to the Court of Industrial Relations (*Connel Bros. Co. (Phil.) vs. National Labor Union*, G. R. No. L-8631 prom. January SO, 1956). The law also provides that after a judge of the Court of Industrial Relations, duly designated by the Presiding Judge therein to hear a particular case, had rendered a decision, any agrieved party may request for reconsideration thereof and the judges of said Court shall sit together, the concurrence of the 3 of them being necessary for the pronouncement of a decision, order or award (Sec. 1, Com. Act No. 103). It was in virtue of these rules and upon motions for reconsideration presented by both parties that resolution subject of the present petition was issued, the Court en banc finding it necessary to modify a part of the decision of February 10, 1955, which is clearly within its power to do.

On the other hand, the issue under consideration is predicated on a situation which is not obtaining in the case at bar, for it presupposes that the resolutions en banc of the respondent Court "are clearly unsupported in fact and in law, patently arbitrary and capricious and absolutely devoid of any sustaining reason", which does not seem to be the case as a matter of fact.

Wherefore, and on the strength of the foregoing consideration, the resolutions of the Court of Industrial Relations appealed from are hereby affirmed, with costs against petitioner. It is so ordered.

Bengzon, Padilla, Reyes, A., Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L., and Endencia, JJ., concur.

*79 Phil, 819, 45 Off. Gaz., 2435.

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.