

PHILIPPINE CAN COMPANY, PETITIONER, VS. THE COURT OF INDUSTRIAL RELATIONS AND LIBERAL LABOR UNION, RESPONDENTS.

G.R. No. L-3021. July 13, 1950

Ponente: MONTEMAYOR, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/6bd216f03707/>

MONTEMAYOR, J.:

The facts in this case as may be gathered from the pleadings are the following: The petitioner Philippine Can Company is a domestic company engaged in the manufacture of tin cans for packing biscuits, candles, etc. and for making pails for carrying water and basins for washing purposes. The respondent Liberal Labor Union is a labor organization.

On March 14, 1949, a number of laborers belonging to said union and working in Petitioner's can factory located at 400 Pampanga street, Manila, staged a strike and established a picket line around the company's compound. According to the petitioner, said strikers and picketers used threats and intimidation to prevent the other laborers from continuing to work in the factory so that the company officials were compelled to appeal to the Police Department which sent policemen to the premises to restore order and protect the loyal workers and officials. That same morning the company posted notices at the gate of the company compound notifying the strikers that those who did not return to work at one o'clock in the afternoon will be considered dismissed; in fact those who did not return to work were declared dismissed and dropped from the payroll.

Five days later, that is on March 19, 1949, respondent Liberal Labor Union filed a petition with the respondent Court of Industrial Relations alleging that from February 26, 1949, the Philippine Can Company had reduced the wages of seven laborers, and that after the corresponding negotiations had failed, the strike was declared. The Union asked the industrial court after due hearing and consideration to order the Philippine Can Company to restore the former rate of wages and to refund; all deductions made in their salaries.

Answering said petition of the labor union, the can company specifically denied the allegation to the effect that the company had reduced the wages of its laborers as alleged in the petition, calling said allegation as having been falsely made and constituting contempt of court; and that the wages of the seven laborers involved prior to February 26, 1949, are the same as those they had been receiving after said date and up to the day of the strike. The Company further alleged:

"That the strike declared by several members of the petitioning union on March 14, 1949 was illegal and unjustified, the same having been declared without due and proper notice to the management, no verbal nor written demand or demands having been presented beforehand to said management for its study, consideration and/or actuation;

"That as soon as the strike was called, the President of the petitioning union together with other members of said union prevented other laborers from rendering service to the company against their will by the use of threat and intimidation;

"That in view of this illegal and unjustified strike, the management posted several notices in conspicuous places at the gate of the can factory at 400 Pampanga St., Tondo, Manila, notifying all the laborers that whoever failed to report for duty at 1:00 p.m. of March 11, 1949 would be considered discharged from service as in fact said respondent discharged from its service those laborers who did not report for duty on the aforesaid time and date, (1 p.m., March 14, 1949)

"That the respondent had been steadily losing in its can factory business since 1948, and from Jan, 1st, 1949 to Feb.. 28, 1949, the said can factory suffered a further loss of P24,000, a little more or less; and

"That in view of said great financial losses, the laying-off of laborers not necessary in the operation of the can factory had become Imperative in order to save the said company from bankruptcy."

The can company prayed the industrial court to deny the petition of the labor union of March 19, 1949, and to order the lay-off of laborers not necessary in the operation of the can factory by confirming the permanent discharge from its service of the laborers who declared the strike on March 14, 1949, and who did not return to work in the afternoon of that same day.

The first hearing of the petition and answer was held on March 25, at which hearing the President of the labor union testified. The next hearing was scheduled to be held on April 8, 1949, but on that date counsel for the can company, tho present, due to sickness, was unable to continue with the hearing and asked for the postponement of the same for a few days. Counsel for the labor union agreed to the postponement but asked that the strikers be ordered back to work. The attorney for the can company vigorously objected to this request, saying that the illegality of the strike had been raised squarely in issue before the court and consequently, it would be highly unfair to compel the can company to readmit the strikers without first deciding whether or not said strike was legal and whether or not the dismissal of the strikers was proper.

That same day, April 8, 1949, Judge Jose S. Bautista of the Court of Industrial Relations issued an order directing the laborers of the labor union to immediately return to work and the can company to admit them under the same conditions which prevailed before the conflict arose. The reason in support of the order was stated therein was to maintain the parties in status quo before the strike, and because in the opinion of the Judge the conflict could not be promptly decided.

The can company filed a motion for reconsideration of said order of April 8, 1949, reiterating its contention that the strike was illegal, and that it was highly unfair and unjust to require the can company to readmit these laborers who had been properly discharged, without giving the can company an opportunity to be heard and prove its claim; that the can company, because of the financial losses suffered by it, was not in a financial position to re-employ the strikers; in fact it wanted to lay off some of its laborers and in proof of this it did not ask the industrial court to allow it to employ new laborers to take the places of the strikers.

Acting upon said petition for reconsideration, Judge Bautista and two other judges of the Court of Industrial Relations in a resolution dated June 10, 1949, denied the same, holding that it was not enough that the can company alleged that the strike was illegal and that it considered the strikers as dismissed, and that the order directing the strikers to go back to work will not cause damage or prejudice to the can company because said strikers will render service to said company and produce wealth for it. Presiding Judge Roldan and Judge Juan A. Lanting of the same Court of Industrial Relations dissented from the said resolution, saying that the Supreme Court has held in several cases that a company cannot be compelled to readmit laborers who have committed illegal acts against said company; that the can company in this case has put in issue the illegality of the strike staged; that it was premature and unjust to order the strikers back to work because if after hearing it was found that the strike was really illegal, then injustice will have been committed against said can company in having been compelled to re-employ and pay laborers who have been legitimately discharged; that on the other hand, even if

later it is found that the strike was legal and that the strikers had been improperly discharged, no damage will be suffered by them for the reason that the can company could always be ordered to pay their back wages.

The Philippine Can Company has now filed the present petition for certiorari asking that the order of April 8, 1949, including the resolution of June 10, 1949, denying the petition for reconsideration, be set aside for being an abuse of discretion and as creating a dangerous precedent.

A careful study of the case inclines us to agree with Presiding Judge Roldan and Judge Lanting in their dissenting opinion. Judge Bautista in his order of April 8, 1949, and later he and two other judges of the industrial court in their resolution denying the petition for reconsideration, relied upon section 19 of Commonwealth Act 103 to the effect that in a case submitted to the industrial court where the laborers have already struck, said laborers may be ordered back to work pending decision of the case, said order to be issued only after hearing when public interest so requires, or when the court believes that the case cannot be promptly decided. Section 19 may be applied in ordinary cases and in the majority of strikes where for instance, the laborers have asked for an increase in wages or vacation leave, hospital privileges, etc. and where the employer company has rejected the demands. In such cases, no prejudice or damage would be caused to the company by the early return of the laborers. In fact, the employer company would even be favored by said return of the laborers pending decision.

We should bear in mind that ordinarily, a strike is a coercive measure resorted to by laborers to enforce their demands. The idea behind a strike is that a company engaged in a profitable business cannot afford to have its production or activities interrupted, much less, paralyzed. Any interruption or stoppage of production spells loss, even disaster. The capital invested in machinery, factory and other properties connected with the business would be unproductive during a strike or the stoppage of the business. On the other hand, the overhead expenses consisting of salaries of its officials, including real estate taxes and license fees continue. Knowing this, the strikers by going on strike seek to interrupt and paralyze the business and production of the company. The employer company is on the defensive. It almost invariably wants the strike stopped and the strikers back to work so as to resume and continue production. Because of this threat or danger of loss to the company, it not infrequently gives in to the demands of the strikers, just so it can maintain the continuity of its production. Or, if the strikers refuse to return to work, the employer company seeks permission from the court to employ other laborers to take their places. In such cases, pending determination of the conflict, especially where public interests so require or when the court cannot promptly decide the case, the strikers are ordered back to work.

But the facts in the present case are far different. Public interests are hardly affected or involved in the present strike. The business of the can company is not such that the public is keenly interested in its continuance. According to the can company, it manufactures tin cans for packing biscuits, candies, etc. and pails for carrying water and basins for washing purposes. Many similar companies have sprung up since 1947, resulting in intense and even ruinous competition, thus explaining the downward trend in the business of the can company and its;

What the Court of Industrial Relations should have done as suggested by Presiding Judge Roldan, was to give priority to this case so that it could be decided in the shortest time possible.

In the case of *Manila Trading & Supply Co. vs. Zulueta*, 69 Phil., 485, it was held:

"But much as we should expand beyond economic orthodoxy, we hold that an employer cannot legally be compelled to continue with employment of a person who admittedly was guilty of misfeasance or malfeasance towards his employer, and whose continuance in the service of the latter is patently inimical to his interests. The law, in protecting the rights of the laborer, authorizes neither oppression nor self destruction of the employer."

If we now compel the can company to readmit the strikers who later on might be declared to have been properly

dismissed by their employer because they not only staged an illegal strike but because they tried to prevent other loyal laborers from continuing to work, we will be committing a grave injustice to the employer company without first giving it a chance to be heard, especially since it has, as already stated, squarely raised in issue the alleged illegality of the strike.

We hold that where an employer claims that the strike of some of its laborers was illegal and so it has dismissed said laborers for refusing to return to work, and raises such alleged illegality squarely in issue in a case pending before the Court of Industrial Relations, and further asserts that because of the loss in its business, it does not presently need the services of said strikers nor of substitutes to take their places in the employer's factory, the Court of Industrial Relations instead of ordering the strikers back to work, should first determine whether or not the strike was legal and whether or not the strikers had been properly and lawfully discharged, and for this purpose the lower court should give priority to the hearing and determination of the case, so as to avoid committing any possible injustice to the employer. This, especially in a case where like the present, as we understand it, only a portion of the workers had gone on strike, thereby not unduly interrupting, much less, paralyzing the work and production of the Company, which production by the way, does not, because of its nature, involve public interest.

In view of the foregoing, the order of April 8, and the resolution of July 10, 1949, are hereby set aside. Let the writ of certiorari issued with costs.

Ozaeta, Pablo, Bengzon, Tuason, and Reyes, JJ., concur.

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.