

PAULINO BUGAY, PLAINTIFF AND APPELLANT, VS. KAPISANAN NG MGA MANGGAGAWA SA MANILA RAILROAD COMPANY, DEFENDANT AND APPELLEE.*G.R. No. L-13093. February 28, 1962*

Ponente: BAUTISTA ANGELO, J.

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Paulino Bugay filed against the Kapisanan Ng Mga Manggagawa Sa Manila Railroad Company before the Court of First Instance of Manila an action for moral damages arising out of an unfair labor practice allegedly committed by said union which was the subject of a decision rendered by the Court of Industrial Relations finding said union guilty as charged. This decision was affirmed by the Supreme Court. The action for moral damages is based upon the allegation that "having become the victim of an unfair labor practice act by the officers of the defendant under Republic Act 875 as found by the Court of Industrial Relations and the Supreme Court, plaintiff has suffered moral damages, "for mental anguish, anxiety, social humiliation and besmirched reputation specially among the thousands of employees of the Manila Railroad Company, amounting to P20,000.00." Consequently, it is prayed that judgment be rendered against defendant awarding plaintiff damages in the aforesaid amount.

Defendant filed a motion to dismiss on the ground that the complaint does not state facts sufficient to constitute a cause of action in that neither the decision of the Court of Industrial Relations nor that of the Supreme Court contain any statement that the unfair labor practice are imputed to the defendant was false or fabricated as in fact the decision of the Supreme Court ordering plaintiff's reinstatement was merely based on "the regularity and validity of the proceedings and the means adopted by the, union and its officers in effecting (his) expulsion." This contention having been sustained, the lower court dismissed the complaint with costs against plaintiff. Hence the present appeal.

If appears that appellant was formerly an auditor of the defendant union. He was at the same time payroll clerk of the Manila Railroad Company. Sometime in March, 1953, he was requested by the secretary-treasurer of the company to deliver certain documents which were in his possession belonging to the union and in compliance therewith he delivered them without consulting the officers of the union, Making use of these documents, the management of the company filed with the City Fiscal of Manila against Vicente K. Olazo, president of the union, a charge for falsification of commercial document. The city fiscal after proper investigation dismissed the charge.

Subsequently, charges for disloyalty and conduct unbecoming a union member were preferred against appellant, and after the corresponding investigation, appellant was expelled from the union. As a result, appellant filed a charge for unfair labor practice against the union before the Court of Industrial Relations which, after due hearing, rendered decision holding that appellant's expulsion was illegal it appearing that the same has not been approved by the majority of the chapters of the union as required by its constitution and by-laws. Hence, the court ordered the reinstatement of appellant as union member and the restoration to him of all his rights and privileges. This decision was affirmed by the Supreme Court.

In finding that defendant union was guilty of the unfair labor practice preferred against it by plaintiff, the Court of Industrial Relations made the following comment:

"It is to be noted that both in the investigation held by the investigation committee of the Kapisanan and in the board meeting of June 14, 1953, where the committee's report recommending expulsion was approved, Bugay was not present. As has been pointed out earlier, the reason for Bugay's failure to attend the investigation does not appear of record. On the other hand, during the board meeting, the committee of three board members assigned to summon Bugay failed to serve notice upon him because he was then in Lucena, Quezon. Why all these proceedings were continued by the respondents inspite of Bugay's absence remain unexplained in the record. But one thing, is certain, whatever might be the merits of the charge filed by respondent Olazo against him, Bugay did not have sufficient opportunity to defend himself. Such proceedings, being violative of the elementary rule of justice and fair play, can not give validity to any act done pursuant thereto.

"Besides, the contention that majority of the chapters voted in favor of Bugay's expulsion is not borne by the evidence. An examination of the chapters to the Kapisanan board of directors (Exhs. 7 to 28) shows that all of the votes, except those of the Hondagua Chapters and Engineering Manila Yard Chapter (Exhs. 14 and 17) were not validly cast. Under the Kapisanan's constitution and by-laws, relied upon by the parties, before a resolution of general application may be enforced, and a resolution terminating union membership is one, it must receive the sanction of majority of the chapters within ten (10) days (Section 4, Art. VII, Kapisanan's Saligang Batas). In other words, action thereon, whether favorable or otherwise, must be taken by the chapters within a period of ten days from the time they receive the resolution. According to respondent Olazo's testimony, the resolution passed on June 14, 1953, was transmitted to the chapters on June 17, 1953. To make it effective, the resolution had to be affirmed by the chapters on July 1, 1953, at the latest. The additional time of four days is allowed for transmittals made by mail. Only the two abovenamed chapters, however, acted on the resolution within the prescribed period. For this reason, even under the assumption that the proceedings against Bugay were not irregular, the resolution in question never had any valid effect on his union membership. In short, his affiliation with the Kapisanan was never terminated. That being the case, Bugay is entitled to all the rights and obligations appertaining to every member of the Kapisanan. Considering that he has been unduly and discriminatorily deprived of such rights and obligations, the Court finds, and so holds, that the respondents, by their act and conduct, have engaged in and are engaging in unfair labor practice in violation of Section 4(b) (2) of the Act."

The above findings were affirmed by the Supreme Court though with some modification.

It is now contended that because the decisions of both the Court of Industrial Relations and the Supreme Court do not contain any intimation nor statement to the effect that the charges filed against Paulino Bugay which resulted in his separation from the union were "trumped up" or fabricated but were solely based on procedural defects in the matter of his expulsion appellant cannot ask for moral damages inasmuch as there is no showing that to effect his expulsion the officers of the union have acted in bad faith. As a matter of fact, it is contended, he did not lose his employment as payroll clerk in the Manila Railroad Company as a result of his expulsion, nor did he suffer any change in his status as a consequence thereof. In effect, he was not awarded any damages by the industrial court.

It should, however, be observed that the main basis of appellant's action is his claim that because of the unfair labor practice committed by the officers of defendant union as found by the Court of Industrial Relations and the Supreme Court he has suffered moral damages because of the mental anguish, anxiety, social humiliation and besmirched reputation he has been subjected among the thousands of employees of the Manila Railroad Company, which claim finds support in our new Civil Code. Thus, Article 2217 of said Code provides as follows:

"ART. 2217. Moral damages include physical suffering, mental anguish, fright, serious anxiety, besmirched reputation, wounded feelings, moral shock, social humiliation, and similar injury. Though incapable of

pecuniary computation, moral damages may be recovered if they are the proximate result of the defendant's wrongful act or omission."

It is true that the decisions both of the Court of Industrial Relations and the Supreme Court do not contain any statement that the charges preferred by the officers of the union against him which resulted in his expulsion were "trumped up" or fabricated, or that said officers acted maliciously or in, bad faith, but the fact remains that the two courts have found that his expulsion was illegal because of the irregularities committed in his investigation. In effect, it was found that not only has he not been given an opportunity to defend himself but his expulsion was not submitted to the different chapters of the union as required by its constitution and by-laws. The result was that because of his expulsion he was subjected to humiliation and mental anguish with the consequent lose of his good name and reputation. This is especially so considering that the members of the union from which he was expelled amounted to around 20,000 more or less. It is, therefore, an error for the lower court to hold, that the complaint does not state sufficient cause of action for the relief claimed by appellant.

With regard to the contention that this claim for moral damages should have been included by appellant in his charge for unfair labor practice filed against the union with the Court of Industrial Relations, suffice it to state that the same does not come within the jurisdiction of that court. This is a matter that has to be looked into by the regular courts.

Wherefore, the order appealed from is set aside. The case is remanded to the lower court for further proceedings, with costs against defendant.

Bengzon, C. J., Padilla, Labrador, Concepcion, Reyes, J. B. L., Paredes, Dizon, and De Leon, JJ., concur.

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