

**CONSTANTINO LEDUNA, VICTORIO CAÑETE, FRANCISCO OLIVEROS,
SOTERO ESTENZO, TELESFORO LAPERA, GABRIEL LAZAGA,
BONIFACIO SERMON, LEON MAHIDLAON, LORENZO CAMARIN,
APOLINARIO URBANO, ...**

G.R. No. L-13965. May 23, 1960

Ponente: CONCEPCION, J.

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CONCEPCION, J.:

This is a petition for certiorari with mandatory preliminary injunction. The prayer in the petition is

"* * * that upon the filing of the proper bond, a writ of mandatory preliminary injunction be immediately issued ordering the respondent Provincial Sheriff to reinstate at once the petitioners to the possession of the houses from which they were forcibly and unlawfully ejected; and after due notice and hearing, a decision be rendered ordering His Honor, the respondent Judge Eduardo D. Enriquez, to dismiss Civil Case No. 4449 before his Court, entitled San Carlos Milling Company, Ltd. versus Constantino Leduna, et als., for lack of jurisdiction, and to set aside his decision rendered therein; and ordering the respondent San Carlos Milling Company, Ltd. to pay the costs of this proceeding.

"Petitioners further pray for such other reliefs and remedies which this Honorable Supreme Court may deem just and equitable in the premises."

Sometime after the filing of the petition and upon the submission and approval of the requisite bond, we issued the writ of mandatory preliminary injunction prayed for.

On June 21, 1957, respondent San Carlos Milling Company, Ltd., hereinafter referred to as the company, sued the herein petitioners, hereinafter referred to as the employees, in the Court of First Instance of Negros Occidental—Civil Case No. 4449 of said court—for ejectment, upon the ground that "having voluntarily refrained from returning to their customary jobs and employment" as laborers and employees of the company, said petitioners had "ceased to be employees" thereof and automatically forfeited their jobs therein, as well as all their privileges as company employees, including the free housing privileges given to the latter, and that, despite repeated demands, they had refused to vacate the houses occupied by them as former employees of the company, which needs such houses for its other employees and laborers.

In their answer dated August 5, 1957, the employees alleged that the stoppage of their work was merely temporary, it being due to an unfair labor practice strike declared on April 12, 1956, by the Philippine Land-Air-Sea Labor Union (PLASLU) of which they are members, against the company, and for which unfair labor practice Case No. 3-ULP-Iloilo was filed against the latter in the Court of Industrial Relations in which it was then pending decision; that they were still employees of the company, which refused to accept the offer made by them at the early stage of said strike, to return to their respective work, without prejudice to the final outcome of said labor case; and that the decision therein would fully resolve the issues raised in the ejectment case.

On December 27, 1957, the parties therein partially stipulated:

"1. That plaintiff is a foreign corporation duly licensed and permitted to do business in the Philippines, with offices in Manila and operating a sugar central at San Carlos, Negros Occidental;

"2. That defendants were employees of the plaintiff company, and at the time of their employment they were assigned and provided houses by the said company free from payment of any rental, the prerogative of ascertaining to whom to grant the privilege of free housing being lodged solely and exclusively with the Manager. The houses occupied by the defendants are those indicated in paragraph 2 of the complaint;

3. That since April 12, 1956, the defendants have ceased to work with the plaintiff company by reason of the fact that on the said date they joined in the strike declared by the Philippine Land-Air-Sea Labor Union (PLASLU) of which herein defendants are members. The said dispute is presently pending before the Court of Industrial Relations in CIR Case No. 3-ULP-Iloilo, and the issues raised therein are still pending decision by said court up to the present time;

"4. That up to the present moment, the said defendants have remained in possession of the said premises."

subject to the right to introduce evidence on other facts pertinent to said ejectment case. At the continuation of the hearing thereof, on March 3, 1958, neither the employees, nor their counsel, appeared, whereupon, the company presented its evidence, and the court, presided over by respondent Judge, rendered judgment, on the same date, for the company. Alleging that no appeal had been taken by the employees, and that further delay in their ejectment would work undue prejudice and damage to the company, the same moved on April 2, 1958, for the immediate execution of said decision. This motion was granted by an order dated April 10, 1958, upon the ground that said decision was already final and executory.

Meanwhile, or on April 8, 1958, the defendants had filed a verified motion for new trial, supported by an affidavit of merit, stating, inter alia, that, on February 26, 1958, counsel for the employees had received, in the City of Cebu, the notice of the hearing scheduled for March 3; that, considering that his clients and their witnesses were in San Carlos, Negros Occidental, it was next to impossible for him to contact and then bring them to Bacolod City, for the hearing on March 3, 1958; that four (4) days before March 3, 1958, said counsel had forwarded, via the Philippine Air Lines, as per Airways Bill No. P-072597, dated February 27, 1958, a motion for postponement, which was not acted upon, it having been received by the clerk of court on March 3, at 10:00 a.m., after the case had been "disposed of at 8:45 o'clock in the morning; that the failure of said counsel to appear at the hearing on said date was due to mistake or excusable negligence, which ordinary prudence could not have guarded against; and that the decision, copy of which was received by said counsel on March 29, 1958, is not supported by sufficient evidence and is contrary to law, for (1) it held that the employees had "ceased to be employees" of the company, although the partial stipulation of facts merely stated that they had "ceased to work", (2) it interferes with the right of the employees to strike, and (3) respondent Judge had no jurisdiction over the case in view of the provisions of the Industrial Peace Act.

Subsequently, or on April 12, 1958, the company moved that said order of April 10, 1958, be rectified by basing the same upon section 2, Rule 39 of the Rules of Court, not upon the alleged finality of the decision, which was not as yet a fact. Indeed, invoking this ground, the employees moved, on April 25, 1958, for the lifting of said order of April 10, 1958. By two (2) orders dated May 10, 1958, respondent Judge amended its order of April 10, as prayed for by the company, and denied the defendants' motion for a new trial. Copies of these orders were allegedly received, on May 24, 1958, by the employees, who, on May 26, 1958, sought a reconsideration of the order denying the new trial, for the reason, among others, that on April 30, 1958, the Court of Industrial Relations had rendered, in the unfair labor practice case, a decision finding the company guilty of such practice and ordering it to "immediately reinstate" the employees to their "former positions under the same terms and conditions

existing before the strike" and "to pay their back wages from April 27, 1956, when they offered to return to work * * *." This motion was denied by an order dated June 7, 1958, copy of which was received by the employees on June 16, 1958. Meanwhile, or on May 14, 1958, the clerk of court had issued a writ of execution, which was followed, on June 9, 1958, by an alias writ of execution, in compliance with which the provincial sheriff of Negros Occidental was about to eject the employees from the houses respectively occupied by them, despite the fact that he had been advised of the notice filed by them with the lower court of their intention to petition the Supreme Court for a writ of certiorari with preliminary injunction. Hence, the present case was instituted on June 25, 1958, against respondent Judge, the Provincial Sheriff of Negros Occidental, and the company.

Respondents allege in their answer, dated July 22, 1958, that the decision in the ejectment case is already final and executory, no appeal therefrom having been taken within the reglementary period, although they could have done so; that inasmuch as the employees could have appealed from said decision, the writ of certiorari herein sought may not be availed of by them; that the reasons adduced in support of their motions for new trial and reconsideration in the ejectment case are not sufficient to warrant said reliefs; that the decision of the Court of Industrial Relations finding the company guilty of unfair labor practices is not as yet final, it being still under review by the Court of Industrial Relations sitting en banc; that said decision cannot override the decision in the ejectment case, which is already final and executory; and that the employees have already been ejected from their respective houses, pursuant to the decision of respondent Judge, and the writ of execution aforementioned, so that there is nothing else to be enjoined from respondents herein.

With respect to the last defense, suffice it to note that the auxiliary writ prayed for by the employees and issued by this Court was not an ordinary writ of preliminary injunction, but a writ of mandatory preliminary injunction "to immediately reinstate" said employees in "the possession of the houses from which they were ejected" in consequence of the proceedings in the aforementioned ejectment case.

As regards the possibility of appealing from the decision and the orders complained of to correct such errors as may have been committed therein, it should be noted that the respondent sheriff was threatening to oust the employees from their respective dwellings, when they filed notice of their intention to apply for a writ of certiorari to annul said decision and orders. What is more, when the petition for such writ was filed with this Court, the employees had already been ejected from the houses occupied by them. In these circumstances, an appeal would not have afforded them a relief sufficiently adequate to remedy their extremely precarious condition.

Needless to say, the decision of respondent Judge was not final and executory when the case at bar was begun. Copy of said decision was received by the employees on March 29, 1958, and ten (10) days later, or on April 8, 1958, they filed a motion for new trial. Copy of the order of May 10, 1958, denying the same, was received by the employees on May 24, 1958, and two (2) days later, they filed a motion for reconsideration, invoking the decision of the Court of Industrial Relations. Copy of the order of June 7, 1958 denying such motion for reconsideration was received by the employees on June 16, whereas this case was commenced nine (9) days later, or on June 25, 1958. At that time, only twenty-one (21) days had elapsed, therefore, of the reglementary period to appeal from the aforementioned decision.

Upon the other hand, respondent Judge should have granted the motion for new trial and the subsequent motion for reconsideration filed by the employees and committed a grave abuse of discretion when he denied both motions. To begin with, having received in Cebu on February 26, 1958, the notice of the hearing scheduled for March 3, 1958, in Bacolod City, counsel for the employees had not had a reasonable opportunity to confer with his clients and their witnesses in San Carlos, Negros Occidental, where they reside, and then bring them to Bacolod City for said hearing.

Secondly, there were sufficient allegations in the answer filed by the employees to show that there was an issue on whether they remained in the employment of the company or not; that this issue was intimately related to, if not absolutely dependent upon, the effect, upon the employer-employee relationship admittedly existing prior thereto between the parties, of the strike called by the employees by reason of unfair labor practices allegedly indulged in by the company; and that this allegation could not be readily dismissed as fanciful and entirely unfounded, inasmuch as a charge of the information for unfair labor practice had actuality been filed against the company, and was then pending decision, in the Court of Industrial Relations.

Respondent Judge should have realized that the power of the Court of Industrial Relations to prevent unfair labor practices is "exclusive and shall not be affected by any other means of adjustment or prevention that has been or may be established by an agreement, code, law or otherwise" (Sec. 5 [a], Rep. Act No. 875); that in the exercise of such authority, the Court of Industrial Relations "shall have all the inherent power of a Court of Justice provided in Rule One hundred twenty four of the rules of court" (Sec. 5 [e], Rep. Act No. 875), and the power to decide "all incidental motions", and "all other matters relative to such dispute" (Sec. 5 [d], Rep. Act No. 875), as well as to "take such affirmative action as will effectuate the policies" of the Industrial Peace Act, "including (but not limited to) reinstatement of employees with or without backpay"; that the Court of Industrial Relations had, accordingly, the "exclusive" authority to determine whether or not the company was guilty of unfair labor practices and whether the strike called by reason thereof was justified or not, as well as whether the employees who took part in the strike have lost their jobs in consequence thereof or are entitled to retain such jobs, or if they have been dismissed, to be reinstated, "with or without backpay"; and that, owing to the "exclusive" nature of this authority of the Court of Industrial Relations, its decision thereon, in proper cases, would be binding upon the ordinary courts of justice and would prevail over the orders and determinations of the latter on the same matter.

In other words, the main issue in the ejectment case—whether the employees had lost that status in relation to the company—depended mainly upon the outcome of the unfair labor practice case in the Court of Industrial Relations. Hence, respondent Judge should have—particularly after the rendition of the decision of said court, finding the company guilty of the charge of unfair labor practice and ordering the reinstatement of the employees concerned, with backpay—not only granted their motion for new trial and their subsequent motion for reconsideration, but, also, deferred the disposition of the ejectment case until after the decision in the unfair labor practice case shall have become final and executory.

Again, apart from the circumstances that the lack of finality of such decision in the unfair labor practice case—owing to the motion for reconsideration then pending before the Court of Industrial Relations sitting en banc—does not detract from its character as prima facie proof of the merits of the claim of the employees, respondent Judge, likewise, overlooked the fact that an appeal from said decision "shall not stay" its effects and that "the person or persons named in the Court order shall meanwhile obey said order" (Sec. 6, Rep. Act No. 875). In short, the Court of Industrial Relations may require compliance with, or the execution of, the order of reinstatement contained in its decision, even though the same is not as yet final and executory.

Wherefore, the decision of respondent Judge dated March 3, 1958, and his orders of April 10, May 10 and June 7, 1958, are hereby set aside, with costs against respondent San Carlos Milling Company, Ltd. It is so ordered.

Paras, C. J., Bengzon, Bautista Angelo, Labrador, Barrera, and Gutierrez David, JJ., concur.
Reyes, J.B.L., J., took no part.

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