

ASSOCIATED LABOR UNION, EDDIE DEL CASTILLO, CRESENCIO ESLABON, JUANITO RODRIGUEZ, SIMPLICIO LOPEZ, JR., RAFAEL DINGLASA, FLORENCIO CASTEL, FEDERICO ORDANEL, BALBINO TALAVER, HOR...*G.R. No. L-25649. June 30, 1975*

Ponente: AQUINO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/87f5544be728/>**AQUINO, J.:**

Eddie del Castillo and his fifteen co-plaintiffs together with the Associated Labor Union appealed from the decision of the Court of First Instance of Cebu, dismissing their complaint for the recovery of moral and exemplary damages amounting to P160,000 and attorney's fees of P10,000 allegedly resulting from the unfair labor practices committed by the Central Azucarera de la Carlota and the National Sugar Workers' Union (Paflu) (Civil Case No. R-8756).

The appeal was made direct to this Court because it involves only the legal question of whether the Court of First Instance has jurisdiction to entertain a complaint for damages arising from alleged unfair labor practices or whether such a claim should have been ventilated in the case decided by the Court of Industrial Relations (CIR) wherein it was held that defendants were guilty of unfair labor practices (Case No. 3385-ULP-Iloilo)

According to the complaint, the sixteen individual plaintiffs, who worked as laborers for defendant Central, were members of the National Sugar Workers' Union prior to July 24, 1962. In April or May, 1962 the Associated Labor Union, with which some of the other laborers in the Central were affiliated, submitted to the Central proposals for a collective bargaining agreement. After the Central refused to accept the said proposals, the Associated Labor Union filed petitions for a certification election with the CIR Branch Office in Iloilo City, the cases being docketed as Nos. 57-MC-Iloilo and 58-MC-Iloilo. Because of those cases, Simplicio Lopez, Jr., a signatory in the petitions, was suspended by the Central. The sixteen individual plaintiffs before and after resigning from the National Sugar Workers' Union campaigned actively for the Associated Labor Union among the employees of the Central.

It was further alleged in the complaint that during the pendency of the petitions for a certification election the Central, at the instance of the National Sugar Workers' Union, dismissed the individual plaintiffs because they had resigned from that Union and joined the Associated Labor Union. As a consequence of the dismissal, the plaintiffs and their families allegedly suffered untold privations. And by reason of that dismissal, the plaintiffs filed with the CIR against the Central and the National Sugar Workers' Union a complaint for unfair labor practice, Case No. 3385-ULP--Iloilo. The CIR in that case found the defendants guilty of unfair labor practices and ordered the Central to pay the wages of Lopez, Jr. during the time of his suspension and to reinstate the other plaintiffs to their respective jobs "with all the rights appertaining thereto". That CIR decision became final and executory. As a result of the said unfair labor practices the plaintiffs allegedly suffered the aforementioned moral and exemplary damages and incurred attorney's fees and litigation expenses in the CIR case and in the instant case.

The Central filed a motion to dismiss the complaint on the ground of (a) lack of jurisdiction; (b) lack of cause of action and (c) res judicata.

The plaintiffs countered that their action was based on the tortious acts perpetrated by the Central and the National Sugar Workers' Union and, therefore, the CIR decision was not a bar to their action for damages based on quasi-delict.

The National Sugar Workers' Union in its answer alleged that the sixteen plaintiffs were dismissed because of their disloyalty to the union and because their employment in the company under the collective bargaining agreement was contingent on their remaining as members in good standing of the union. Defendant (now respondent) National Sugar Workers' Union pleaded the defenses that the venue was improperly laid in Cebu, that the action was barred by the prior CIR judgment in the unfair labor practice case, that since the plaintiffs had instituted criminal actions their civil action should be suspended, and that the union acted in good faith in asking the Central to dismiss the sixteen plaintiffs.

The lower court sustained the motion to dismiss on the ground of res judicata. It assumed that the claim for damages was merely an incident in the unfair labor practice case and that the CIR presumably passed upon the said claim and concluded that it was not justified.

The plaintiffs in this appeal contend that their action for damages is based on articles 20, 21 and 2176 of the Civil Code. They argue that the CIR could not award moral damages since it is a court of limited jurisdiction.

We are of the opinion that plaintiffs' claim for moral and exemplary damages, allegedly caused by the unfair labor practices committed by the Central and the Union, with which it had a collective bargaining agreement, should have been ventilated in the unfair labor practice case filed in the CIR, Case No. 3385-ULP-Iloilo.

Inasmuch as the CIR did not award such damages in its decision dated May 5, 1964, the action instituted on February 22, 1965 by the plaintiffs in the Court of First Instance of Cebu for the recovery of such damages was not in order. It was barred by the CIR's aforementioned prior judgment in the unfair labor practice case. (See sec. 49[b], Rule 39, Rules of Court. Compare with *Valencia vs. Cebu Portland Cement Co.*, 106 Phil. 732 where the CIR's judgment ordering the reinstatement of a dismissed employee barred his subsequent action in the Court of First Instance for the recovery of damages due to the dismissal).

Thus, it was held that a question of "damages for acts which arose out of, or were connected with, an industrial dispute should be determined by the Industrial Court to the exclusion of the regular Courts of First Instance" (*Cebu Portland Cement Company vs. Cement Workers' Union*, L-30174, 146 Phil. 750, 45 SCRA 337, apparently overruling *Bugay vs. Kapisanan ng Mga Manggagawa sa Manila Railroad Company*, 114 Phil. 396 which held that the CIR had no jurisdiction to grant moral damages in an unfair labor practice case).

What "plaintiff's cause of action arose out of, or is necessarily intertwined with, the alleged unfair labor practice committed by the defendants, jurisdiction properly lies in the CIR". "To hold that the demand for damages is to be passed upon by the regular courts independently or separately from the unfair labor practice accusation would be to sanction split jurisdiction, which is prejudicial to the orderly administration of justice" (*Progressive Labor Association vs. Atlas Consolidated Mining and Development Corporation*, L-27585, May 29, 1970, 33 SCRA 349).

The CIR was held to have jurisdiction over a case where the prayer was for reinstatement with back wages, differential pay, and moral and exemplary damages allegedly suffered by the dismissed employees. In such a case, it is preferable that all the causes of action should be cognizable and heard only by one court: the CIR (*Rheem of the Philippines, Inc. vs. Ferrer*, L-22979, January 27, 1967, 19 SCRA 130. See *Quisaba vs. Sta. Ines-Melale*

Veneer & Plywood, Inc. L-38088, August 30, 1974, 58 SCRA 771).

"It is a cherished rule of procedure that a court should always strive to settle the entire controversy in a single proceeding leaving no root or branch to bear the seeds of future litigation" (Moran, J., in *Marquez vs. Marquez*, 73 Phil. 74, 78).

Whether an unfair labor practice constitutes a quasi delict or is an act falling under articles 20 and 21 of the Civil Code which may be the basis of an action for moral and exemplary damages is a point which is not decided in this case.

Finding no error in the trial court's order of dismissal, the same is affirmed with costs against the plaintiffs-appellants.

SO ORDERED.

Fernando, (Chairman), Barredo, Antonio, and Concepcion Jr., 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.