

**JOSE MONTEVERDE, CRISANTO PRINCIPE, WILFREDO PRINCIPE,
PETER BROWN, RAFAEL MARQUEZ, AND MARIO
SARIO, PETITIONERS, VS. THE HONORABLE COURT OF INDUSTRIAL
RELATIONS, FILIPINAS BISCU...**

G.R. No. L-32915. September 30, 1977

Ponente: FERNANDEZ, J.

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FERNANDEZ, J.:

The petitioners pray that the decision of the Court of Industrial Relations in Case No. 3969-ULP dated March 21, 1968 ordering the reinstatement of the petitioners and ordering the Filipinas Biscuit Company (FIBISCO) to pay back wages be reinstated.

Claiming to have been dismissed from work by the Filipinas Biscuit Company (FIBISCO) for organizing a labor union, the petitioners filed a charge of unfair labor practice against the said company and its general manager, James Huang, in the Court of Industrial Relations which was docketed as Case No. 3969-ULP in January 1964.[1]

In their answer dated February 7, 1964, the respondents averred that there has never been an employer-employee relationship between complainants and respondents.[2]

After trial on the merits, the Court of Industrial Relations rendered judgment on March 21, 1968 the dispositive part of which reads:

"WHEREFORE, respondent Filipinas Biscuit Company, and James Huang, in the latter's capacity as general manager thereof, are hereby declared guilty of unfair labor practice, and are hereby ordered to cease and desist from further committing the acts complained of. Respondent company is further directed to reinstate complainants to their positions before their dismissal with back wages up to actual reinstatement, with all the rights and privileges appertaining thereto.

Consequently, the Chief of the Examining Division of this Court is hereby directed to proceed to the office of respondent company at Far East Bldg., Buendia Avenue, Makati, Rizal, and examine the records of said company pertaining to the computation of the back wages of complainants, and submit his report for further disposition of this Court. In the absence of the records thereof, the back wages of complainants may be computed based on the evidence presented.

SO ORDERED.

Manila, Philippines, March 21, 1968.

(SGD.) ARSENIO I. MARTINEZ
Presiding Judge"[3]

The FIBISCO filed a motion for reconsideration of the judgment of March 21, 1968 with the CIR. Pending

resolution of said motion, Atty. Juan G. Sison, Jr., counsel of petitioners, filed two motions dated July 24, 1968 seeking the dismissal of the case of unfair labor practice "in toto and with prejudice" on the ground that "After considering the circumstances surrounding this case and considering that all of the complainants are engaged in substantial employment, complainants or any of them are not interested in being reinstated to respondent Company or working for the respondents in this case." [4]

In a resolution en baric dated August 14, 1968, the CIR dismissed the case and declared it closed and terminated on the basis of the motion of Atty. Juan G. Sison, Jr., counsel for the petitioners. [5]

Petitioners allege that the CIR dismissed the case for unfair labor practice "without notifying and/or summoning petitioners to affirm the truth of Sison's allegations and/or authority to compromise the case." [6]

The petitioners engaged the services of another lawyer when they could not find Atty. Juan G. Sison, Jr. to effect the execution of the decision of the CIR of March 21, 1968. Through the new counsel, the petitioners filed a petition dated June 23, 1969 to execute the decision. [7] It is alleged that without summoning and/or investigating the petitioners, the CIR denied the motion for execution in an order dated July 17, 1970. [8] The petitioners filed on July 23, 1970 a motion for reconsideration of the order dated July 37, 1970. The Court of Industrial Relations denied the petitioners' motion for reconsideration in a resolution en bane dated September 11, 1970. [9] Judge Amando C. Bugayong dissented and voted to lift the resolution en bane dismissing and terminating the case and to restore the decision of the CIR of March 21, 1968. [10]

The main issue is whether or not the Court of Industrial Relations correctly dismissed the case for unfair labor practice after it had rendered a decision dated March 21, 1968 on the motion of Atty. Juan G. Sison, Jr., counsel of the petitioners, without inquiring into the authority of the lawyer to ask for the dismissal of the case.

It was stated in the dissenting opinion of Judge Amando C. Bugayong that nowhere in the minutes of the hearing of July 23, 1969 does it appear that the complainants have admitted in open court that they had authorized their counsel, Atty. Juan G. Sison, Jr., to enter into a settlement with the FIBISCO. All that is recorded in the minutes is the request for the sending of a notice of hearing to Atty. Juan G. Sison, Jr. both at his known address at Rm. 313 de Leon Bldg., Rizai Avenue, Manila and at 745 Dos Castillas, Sampaloc, Manila. [11]

It is elementary that lawyers "cannot, without special authority, compromise their client's litigation, or receive anything in discharge of a client's claim but the full amount in cash." [12]

It is clear that the Court of Industrial Relations erred in dismissing the case on the motion of Atty. Juan G. Sison, Jr. alone without inquiring into his authority. The Court of Industrial Relations did not even bother to find out what kind of settlement was entered into between Atty. Juan G. Sison, Jr. and the FIBISCO.

The petitioners deny having authorized Atty. Juan G. Sison, Jr. to settle their litigation with FIBISCO. Hence, even if there was an agreement between Atty. Juan G. Sison, Jr. and FIBISCO, such settlement would be void.

To avoid protracted delay in the execution of the award for backwages, the Court applies the precedent set in *Mercury Drug Co. vs. CIR*, [13] followed in subsequent cases, of fixing the amount of backwages to a just and reasonable level without qualification or deduction so as to avoid protracted delay in the execution of the award for backwages due to extended hearings and unavoidable delays and difficulties encountered in determining the earnings of the laid-off employees ordered to be reinstated.

This relieves the employees from proving and disproving their earnings during their lay-off and the employers from submitting counterproofs. [14] Under the circumstances of this case, the Court fixes as just and reasonable the backwages of the complainants at three (3) years without qualification and deduction.

WHEREFORE, the resolution of the Court of Industrial Relations dated August 14, 1968 dismissing Case No. 3969-ULP and declaring it terminated is hereby set aside and the decision of said court dated March 21, 1968 is reinstated and the same is ordered to be executed, with costs against the private respondents. The respondent Filipinas Biscuit Company (FIBISCO) is ordered to pay the petitioners backwages for three (3) years without qualification and deduction. This decision is immediately executory.

SO ORDERED.

Teehankee (Chairman), Makasiar, Muñoz Palma, Martin, and Guerrero, .JJ., concur.

[1] Rollo, pp. 14-16.

[2] Rollo, pp. 17-18.

[3] Rollo, pp. 32-33.

[4] Rollo, pp. 34-35.

[5] Rollo, p. 40.

[6] Rollo, p. 6.

[7] Rollo, pp. 41-42.

[8] Rollo, pp. 47-50.

[9] Rollo, pp. 51-52.

[10] Rollo, pp. 53-56.

[11] Rollo, p. 55.

[12] Section 23. Rule 138. Revised Rules of Court.

[13] April 30. 1974. 56 SCRA 694.

[14] FEATI University Faculty Club (PAFLU) vs. FEATI University, 58 SCRA 395

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