

FREE TELEPHONE WORKERS UNION, PETITIONER, VS. PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND THE HONORABLE COURT OF APPEALS, RESPONDENTS.

G.R. No. L-31390. April 15, 1988

Ponente: NARVASA, J.

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NARVASA, J.:

Naught but application of established and familiar precedent is what is needful to terminate the proceedings at bar.

On complaint of the Philippine Long Distance Telephone Company, hereafter simply, PLDT, the Manila Court of First Instance rendered judgment condemning the labor organization representing the company's employees, the Free Telephone Workers Union, to pay actual damages amounting to P95,925.00, with 6% interest thereon from March 5, 1963. The Court found that the union had declared a strike in violation of a so-called "no-strike clause" in the parties' collective bargaining agreement then in force, to the effect that "there shall be no strikes, walkout, stoppage or slowdown of work, boycotts, secondary boycotts xxx during the term of the agreement"; and that the strike had caused injury to the employer.

The Court of Industrial Relations, on the other hand, had assumed jurisdiction of the strike — allegedly staged in protest against unfair labor practices of the company (in relation more particularly to the disciplinary suspension of a member of the Union's Board of Directors) — and had directed the strikers to return to work pending final resolution of the controversy.

The Court of Appeals affirmed the judgment of the Manila Court of First Instance. Invoking *PAFLU v. Tan*,^[1] it overruled the Union's objections to the Lower Court's jurisdiction, declaring that actions for recovery of damages for breach of contract were not within the jurisdiction of the Court of Industrial Relations but of the civil courts, even those growing out of a labor dispute. It also rejected the Union's argument that since its officers had been cleared of responsibility by the Trial Court, "exemption from liability of ordinary members and the union follows necessarily." the officers having been exempted from personal liability upon a finding that they had merely acted in the union's behalf. The Appellate Court finally turned down the claim that "acceptance (by the management) of the strikers xxx to their former positions xxx renders the question of strike legality moot and academic," the claim having been asserted for the first time only on appeal.

In a bid to overthrow the judgment of the Court of Appeals, and that of the Court of First Instance thereby sustained, the Union has appealed to this Court by certiorari. It contends in its petition for review that —

1)

the CFI had no jurisdiction over the complaint for damages for breach of a contract resulting from a decision of the CIR in a labor dispute certified to it by the President of the Philippines, specially where that court is still in process of determining the legality of the strike alleged to constitute the breach and consequently, the right of the strikers to continue in employment;

2)

the case had become academic when the strikers were accepted back to work;

3)

the CFI erred in holding the UNION liable for damages, because the applicable law, R.A. 875, limits penalty for illegal strikes; and

4)

it was error to declare the Union liable for acts of its officers who had been found to have given the order to strike in good faith, and who were exempted from any liability.

In *Holganza va. Apostol*,^[2] this Court passed upon the question of jurisdiction over actions for the recovery of damages in connection with labor disputes, and there declared that —

" xxx As far back as *Associated Labor Union v. Gomez*, the exclusive jurisdiction of the Court of Industrial Relations in disputes of this character was upheld. "To hold otherwise, 'as succinctly stated by the ponente. Justice Sanchez, 'is to sanction split jurisdiction — which is obnoxious to the orderly administration of justice.' Then in *Progressive Labor Association v. Atlas Consolidated Mining and Development Corporation*, decided three years later, Justice J.B.L. Reyes, speaking for the Court, stressed that to rule that such demand for damages is to be passed upon by the regular courts of justice, instead of leaving the matter to the Court of Industrial Relations, 'would be to sanction split jurisdiction, which is prejudicial to the orderly administration of justice.' Thereafter, this Court, in the cases of *Leoquenio v. Canada Dry Bottling Co.* and *Associated Labor Union v. Cruz*, with the opinions coming from the same distinguished jurist, adhered to such a doctrine the latest case in point, as noted at the outset, is the *Goodrich Employees Association* decision xxx."

The doctrine reviewed and enunciated in *Holganza* was reaffirmed in *PLDT Co. v. Free Telephone Workers Union*, promulgated on August 30, 1982, which ruled that "the regular courts, xxx (e.g.) Court of First Instance, xxx have no jurisdiction over complaints for damages of this nature."^[3]

It thus appears that the Court of First Instance had no jurisdiction over the subject matter if the complaint for damages filed with it by the PLDT, and that court's judgment was on that account a nullity. Its judgment will therefore have to be invalidated and aside, as also that of the Court of Appeals upholding it. The judgment being void and inexistent, there is no need to consider and determine the correctness of the other arguments asserted against it.

WHEREFORE, the decision of the Court of Appeals subject of the instant appeal, and that of the Court of First Instance by it affirmed are REVERSED AND SET ASIDE; all the proceedings in Civil Case No. 53282 of the court are declared null and void, and the case is DISMISSED, without pronouncement as to costs.

Teehankee (C.J.), Cruz, Gancayno, and Griño-Aquino, JJ., concur.

[1] G.R. No. L-9115, August 31, 1956.

[2] 76 SCRA 191, 193 [1977], per Fernando, then Associate, later, Chief Justice.

[3] 116 SCRA 145, 153-155.

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